CENTRAL STATISTICAL OFFICE

Economic Trends

ARTICLES

UK balance of payments in the second quarter of 1975

Structure of company financing

Movements in the retail prices index from April 1973 to April 1975

No 263
September 1975
HMSO £1·15 net

A publication of the Government Statistical Service

Release dates of economic statistics to be published in October 1975

This list is published by the Government Statistical Service as a guide to the dates of publication of major economic series in October. The dates are those which Departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further enquiries about individual series should be addressed to the source named.

October 1975	Series	Method of release	Source
Thurs 2	Unemployment (August-final)	Gazette	D of Employment
	Employment in production industries (July)	Gazette	D of Employment
	Overtime and short-time working in manufacturing industries (July)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (August)	Gazette	D of Employment
	United Kingdom official reserves (September)	PN	HM Treasury
	Capital issues and redemptions (during month of September)	PN	Bank of England
Mon 6	Hire purchase and other instalment credit business (August)	PN	D of Industry
	Retail trade (August-final)	PN	D of Industry
	Investment intentions of the manufacturing, distributive and service industries (1975 and 1976)	PN	D of Industry
Tues 7	Consolidated Fund and National Loans Fund (September)	LG	HM Treasury
	Provisional figures of vehicle production and estimates of new car registrations (September-provisional)	PN	D of Industry
Wed 8	London clearing banks' monthly statement (mid-September)	PN	Ctte. LCB
	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-September)	PN	Bank of England
Thurs 9	Personal income, expenditure and savings (2nd qtr); gross domestic product (2nd qtr-revised)	PN	CSO
Fri 10	Building Societies' receipts and loans (September)	PN	Building Societies Assn.
	Index of industrial production (August)	PN	CSO
Mon 13	Central government borrowing requirement (August)	FS	CSO/Treasury
	Turnover of the catering trades (August)	PN	D of Industry
	Wholesale prices index numbers (September)	PN	D of Industry
Tues 14	Balance of payments current account and overseas trade figures incorporating the import and export unit value and volume index numbers and the terms of trade (September)	PN	D of Trade/CSO
Fri 17	Crude steel production (September)	PN	BSC/BISPA
	Retail prices index (September)	PN	D of Employment
Mon 20	UK banks' assets and liabilities and the money stock (mid-September)	PN	Bank of England
	Basic rates of wages and normal weekly hours (end-September)	PN	D of Employment
	Monthly index of average earnings (August)	PN	D of Employment
	Sterling certificates of deposits (mid-September)	PN	Bank of England
	London dollar certificates of deposit (mid-September)	PN	Bank of England
	Appropration account of companies (2nd qtr)	PN	CSO
	Net acquisition of financial assets–analysis by sector (2nd qtr)	PN	CSO
	Financial accounts of industrial and commercial company and personal sectors (2nd qtr)	PN	CSO
	Retail trade (September-provisional)	PN	D of Industry
Tues 21	Unemployment (October-provisional)	PN	D of Employment
	Unfilled vacancies (October-provisional)	PN	D of Employment
Wed 22	Consumers' expenditure (1st preliminary estimate) (3rd qtr)	PN	CSO
	New vehicle registrations (September)	PN	D of the Environment
Thurs 23	Car and commercial vehicle production (September-final)	PN	D of Industry
Fri 24	Sales and orders in the engineering industries (July)	T and I	D of Industry
Sun 26	National savings monthly progress report (September)	PN	National Savings Ctte.
Wed 29	Slum clearance (3rd qtr)	PN	D of the Environment
	Housing starts and completions (September)	PN	D of the Environment
	House renovation grants (September)	PN	D of the Environment
Thurs 30	Unemployment (September -final)	Gazette	D of Employment
	Employment in production industries (August)	Gazette	D of Employment
	Overtime and short-time working in manufacturing industries (August)	Gazette	D of Employment
	Stoppages of work due to industrial disputes (September)	Gazette	D of Employment
	Energy trends	PN	D of Energy
	Bricks and cement production (September)	PN	D of the Environment
Fri 31	Construction–new orders (August)	PN	D of the Environment

PN=*Press Notice* LG=*London Gazette* FS=*Financial Statistics* T and I=*Trade and Industry*

CENTRAL STATISTICAL OFFICE

Economic Trends

No 263
September 1975

London: Her Majesty's Stationery Office

© Crown copyright 1975

First published 1975

ISBN 0 11 723953 4

Introduction

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Within the regular tables and charts in the front half of the publication there are three distinct sections–'Latest developments' is a kind of stop press section containing summaries of press releases issued during the month, current economic events and a table of monthly indicators. *It is important to note that data in this section may not be wholly consistent with other series shown in the publication which have gone to press earlier.*

The second section contains key economic indicators arranged in tabular form on left hand pages and charted on facing right hand pages. Colour has been used to aid interpretation in some of the charts–for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base date for convenience of comparison.

Finally there is a section of reference cycles which identifies leading indicators in the business cycle and was introduced with an article in the March 1975 issue. Further related graphs are included in the February, May, August and November issues.

Quarterly articles on balance of payments appear in the March, June, September, December issues and on national accounts in the January, April, July, October issues. Other articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology. There are notes and summaries about relevant articles appearing in other government publications and news of developments in economic statistics.

Note: The quarterly figures from the national accounts (that is, gross domestic product, etc.) shown in this issue are not consistent with the annual figures recently published in *National Income and Expenditure 1964-74*, since full quarterly figures which incorporate the revisions of the 1975 Blue Book are not yet available. They will be published in the October issue of *Economic Trends*.

Notes on tables

1. This issue contains information available to the CSO on 18 September in respect of the main tables and charts. The 'Latest developments' section may contain later information.

2. Statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

5. Symbols used: . . not available or not meaningful
– nil or less than half the final digit shown
§ series for which measures of variability are given on page 68
† indicates that the series has been revised since last issue; the period marked is the earliest in the table to have been revised

Government Statistical Service

A service of statistical information and advice is provided to Government by specialist staffs employed in the statistics divisions of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Department concerned. The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone 01-930 5422 Ext 602.

Enquiries about orders and subscriptions should be made to the publisher, Her Majesty's Stationery Office, PO Box 569, London SE1 9NH. Telephone 01-928 6977.

Contents

	Page
Introduction	1
Latest developments in the economy	3
Tables and charts	
Gross domestic product at factor cost	6
Expenditure on the gross domestic product	8
Personal disposable income and consumption	10
Real consumers' expenditure—component categories	10
Retail sales, new registrations of cars and hire purchase debt	12
Shares of income and expenditure	14
Estimates, *per capita,* income, product and spending	14
Gross domestic fixed capital formation by sector and by type of asset	16
Indicators of fixed investment by manufacturing industry	18
Department of Industry inquiry into investment intentions: manufacturing industry	18
Indicators of fixed investment in dwellings	20
Stock changes	22
Stock ratios	22
Inland energy consumption	24
Index of industrial production	26
Index numbers of output	28
Engineering and construction: output and orders	30
Motor vehicle production	32
Output per person employed	34
National employment and unemployment	36
Regional unemployment rates	38
Wage rates and earnings	40
Prices	42
Visible trade	44
Balance of payments: current account	46
Analysis of total currency flow and official financing	48
Money stock	50
Money stock and public sector borrowing requirement	52
Public sector current account	54
Public sector capital account	54
Sector financial accounts	56
Appropriation account of companies	58
Sources and uses of capital funds of industrial and commercial companies	60
Selected liquid assets of industrial and commercial companies	60
Bank advances to United Kingdom residents by banks in Great Britain	62
Eligible liabilities	62
Interest rates, security prices and yields	64
Cyclical indicators for the United Kingdom economy	66
Measures of variability of selected economic series	68
Articles	
United Kingdom balance of payments in the second quarter of 1975 — Central Statistical Office	70
Structure of company financing — Department of Industry	96
Movements in the retail prices index from April 1973 to April 1975 — Prices Commission	117
Round-up : What's new in economic statistics	123
Index of sources	124
Other	
Release dates of economic statistics to be published in October	*inside front cover*
Articles published in recent *Economic Trends*	*inside back cover*

Latest developments in the economy[1]

Data available at 22 September, 1975

Consumers' expenditure

The latest estimate of consumers' expenditure shows a fall of nearly 2 per cent in volume between the first and second quarters of the year. Other indicators of expenditure suggest little change in subsequent months. The early estimate of retail sale's volume in August was at a similar level to June and July. New car registrations in August were slightly up on July but the average monthly level over June to August was the same as that of the preceding three months.

Capital expenditure

The volume of fixed investment fell by 2½-3 per cent between the first and second quarters. Manufacturing industry investments fell by 7 per cent, a similar fall to that recorded between the fourth quarter of 1974 and the first quarter of the year. There were also falls in transport and communication and in other services.

Stocks

The level of stocks fell by £340 million between the first and second quarters. Manufacturers' stocks fell by £125 million, the first overall fall since the period of three-day working; the stocks/output ratio rose further, however, as production fell more sharply than stocks.

Output

Gross domestic product is estimated to have fallen by 2½ to 3 per cent between the first and second quarters of the year. Industrial production has continued to decline. The index of industrial production fell by 3½ per cent between the three month periods February-April and May-July. And it is thought likely that this slightly underestimates the actual fall in output.

Car production fell again in August and was 20 per cent below the average monthly output for 1974. Steel output in August rose slightly over July but was still 24 per cent lower than a year earlier.

Companies

Gross trading profits of companies, before deducting stock appreciation, are estimated to have risen by around 5 per cent over the period between the second half of 1974 and the first half of this year; after deducting stock appreciation however there was a fall of 10 per cent over the period. The Department of Industry's survey of large companies shows a further rise in their liquidity in the second quarter; net current assets increased by £207 million following an increase of £571 million in the previous quarter.

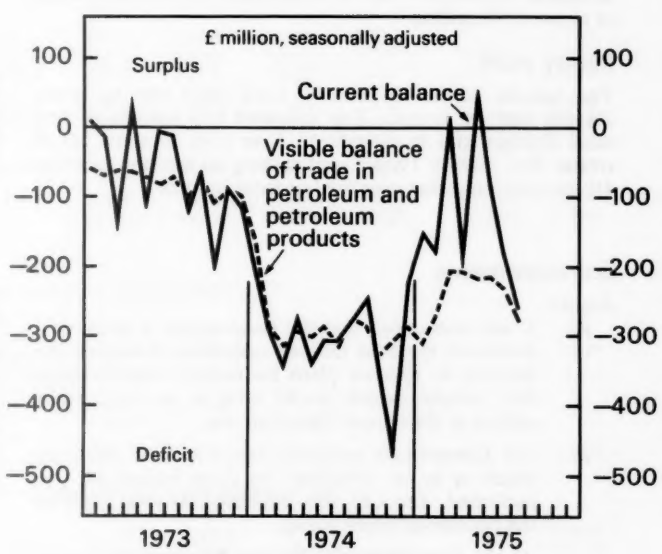
[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Unemployment and vacancies

The number of unemployed (Great Britain) excluding school-leavers and adult students increased by 30,000 to 997,000 in September (4·4 per cent of all employees). In the last three months there has been an increase on average of 44,000 a month. The number of vacancies notified to employment offices increased marginally in September to 134,800. In the last three months there has been a decrease on average of 2,000 a month.

Short-time working (not seasonally adjusted)

In the week ending 19 July, 1975 133,000 operatives in manufacturing industries in Great Britain were on short-time working, as compared with 209,000 in the week ending 14 June, 1975. Forward estimates for mid-September indicate little change.



Earnings and wage rates

Average earnings increased in many industries in July. As a result the index of average earnings rose by about 4½ per cent in July when it was 27·4 per cent higher than a year earlier.

No major settlements took effect in August and so there was an increase of only 0·4 per cent in the index of basic weekly wage rates (not seasonally adjusted) compared with over 4 per cent in August 1974 when there were increases for engineering workers and threshold increases for many workers. Consequently the year on year increase fell to 27 per cent in August 1975.

Prices (not seasonally adjusted)

The index of retail prices for August was 139·3 (January 1974=100) representing an increase of 0·6 per cent on July and of 26·9 per cent on August 1974.

Wholesale prices index figures indicate that the price of home sales of all manufacturing industry rose by 1 per cent in August. The price of materials and fuel purchased by the food manufacturing industries rose sharply by 7½ per cent. The strengthening of the dollar against other currencies in August led to another rise in the sterling price of crude oil. The price of materials and fuels purchased by all manufacturing industry rose by 3½ per cent in August and by 6½ per cent in the latest three months despite the stability of coal, gas and electricity prices for the period.

Trade and balance of payments

In the three months ended August, the deficit on visible trade was £843 million compared with £464 million in the previous three months. Over this period there was a fall of 6 per cent in the volume of exports and a rise of 3 per cent in the volume of imports. The adverse impact of these volume movements was partly offset by an increase of 4 per cent in the terms of trade.

In August, the current account was estimated to have been in deficit by £260 million. The deficit on trade in goods was £370 million; the balance on services and other current transactions is estimated to have been running at a monthly surplus of about £110 million.

Money stock

The broader version of money stock (M3) rose by about 2¼ per cent in August. This followed two months of very small changes and is thought to have been to some extent erratic. M1, rose by 1½ per cent making an increase of about 4½ per cent altogether over the last three months.

Economic events

August

22 It was announced that the Government is to set up a review of the Post Office's operations following the decision to approve plans for further price increases this autumn, which would bring in an extra £284 million in the current financial year.

27 The Government pamphlet *The Attack on Inflation*, which is to be distributed to every household, was published. The CBI also published its own guide to the counter-inflation policy.

At the Commonwealth Finance Ministers meeting in Guyana, a plan for a new world economic order was given qualified approval. The plan is based on more stable raw material prices and is intended to help narrow the gap between rich and poor nations.

28 At the Commonwealth Finance Ministers meeting, the Chancellor of the Exchequer called for reflationary measures by countries with stronger economies, such as the US, West Germany and Japan. The final communique of the meeting endorsed this point.

The result of the miners' pithead ballot on the £6 pay policy showed a 3-2 majority in favour of supporting the policy.

31 Mr Jack Jones, on the eve of the TUC annual congress, called for unions to support the counter-inflation policy, and for the Government to take powers to force increased industrial investment.

An agreement on the role of gold in the international monetary system was reached by the IMF 'Group of Five' (the US, Britain, France, West Germany and Japan). It abolished the official gold price, and the IMF will sell 25 million ounces (or one-sixth) of its gold holding at market prices, using the profits to help the developing world.

September

1 An interim Middle East settlement was initialled by Egypt and Israel.

The Chrysler motor group put 26,000 workers at its 11 plants on short-time until at least the end of October.

2 The Chancellor, in a speech to the International Monetary Fund's annual meeting, warned of a hard winter ahead in Britain. But there would be no panic reflationary measures, he said.

British Leyland warned the trade unions that the 116,000 labour force in its car division would have to be substantially cut, especially on the white-collar side.

3 The TUC Annual Congress approved the £6 pay policy, by a 2-1 majority.

4 The Sandilands Committee's *Report on Inflation Accounting* (Cmnd. 6225) was published. It proposed the development of a new system of accounting called Current Cost Accounting (CCA) to show up the impact of inflation on company profits.

5 At the final session of the TUC, Mr Len Murray urged a 'judicious and selected' reflation of the economy; and action to protect jobs.

11 Blastfurnacemen at the Llanwern steelworks in South Wales rejected a BSC pay offer for operation of a new face, and there was an increasing threat of a blastfurnacemen's strike which could stop the country's entire steel production.

The West German Bundesbank cut its discount rate to 3·5 per cent.

The House of Commons select Committee on Science and Technology recommended a task force of ministers, officials and experts to be responsible for national policy on energy saving.

12 First National City Bank of New York raised its prime rate by ¼ per cent to 8 per cent and other leading US banks followed suit.

Italy and Netherlands cut bank rates by one per cent to 6 per cent and 4·5 per cent respectively.

16 The British Steel Corporation received official strike notice from the National Union of Blastfurnacemen over the Llanwern dispute after fruitless talks between the two sides. The strike would begin on Sunday.

18 The *Bank of England Quarterly Bulletin* said there appeared to be no need for immediate measures to reflate demand as the UK economy could begin to pick up fairly soon.

Selected monthly indicators[1]

	Seasonally adjusted						Unadjusted		Seasonally adjusted			
	1971 =100	Thousands	1970 =100	Thousands		Jan. 1970 =100	1970 =100	Jan. 1962 =100[2]	£ million			
	Volume of retail sales (GB)[4] §	New registrations of cars (GB)§	Index of industrial production[5] §	Unemployment[6] (GB)§	Vacancies[7] (GB)§	Average earnings (all employees) (GB)§	Wholesale prices of materials and fuel[8]	General index of retail prices (all items)	Balance of payments current account: Exports (f.o.b.)§	Balance of payments current account: Imports (f.o.b.)§	Current balance	Money stock M_3 [9]
1973 *A*	110·7	153·0	110·6†	555·0	332·1	154·3	152·5	180·2	1,009†	1,253†	−198†	29,550
S	110·6	128·8	110·9	533·8	347·1	156·2	154·7	181·8	1,072	1,256		30,200
O	111·2	127·0	111·6	511·3	359·8	158·1	161·7	185·4	1,014	1,405		30,900
N	112·1	125·7	110·5	490·3	365·0	160·2	166·0	186·8	1,074	1,350	−409	31,270
D	112·6	103·0	107·5	479·7	359·5	161·0	175·1	188·2	1,062	1,369		31,850
1974 *J*	109·1	92·9	102·2	538·0	305·5	154·3[10]	209·5	100·0	1,081	1,437		32,560
F	110·1	109·0	103·8	551·6	278·6	156·6[10]	213·1	101·7	1,199	1,634	−849	33,260
M	110·0	106·1	105·2	546·9	274·7	166·4	215·0	102·6	1,283	1,767		33,440
A	107·9	96·5	107·6	546·1	298·0	164·8	215·4	106·1	1,296	1,699		33,530
M	105·6	105·3	107·6	548·1	315·3	169·5	214·0	107·6	1,327	1,797	−918	33,850
J	108·2	111·0	108·6	562·4	318·7	176·2	211·7	108·7	1,354	1,788		33,770
J	109·2	105·7	109·0	576·8	316·5	181·4	212·3	109·7	1,370	1,800		34,710
A	111·4	101·9	108·9	596·5	300·8	185·9	213·7	109·8	1,404	1,807	−829	35,260
S	112·2	118·5	107·3	603·2	301·1	189·0	212·8	111·0	1,465	1,838		35,200
O	111·4	101·9	106·2	606·5	293·5	191·8	220·1	113·2	1,371	1,859		35,350
N	112·8	98·3	105·8	612·8	272·5	200·8	223·8	115·2	1,327	1,929	−1,072	35,710
D	110·8	86·9	103·8	..[11]	..[10]	208·3	222·5	116·9	1,408	1,765		35,710
1975 *J*	113·0[4]	109·5	105·1	678·0[12]	..[10]	206·2	221·1	119·9	1,589	1,876		36,140
F	112·3	112·8	105·5	704·5	192·4	209·9	218·8	121·9	1,480	1,797	−316	36,510
M	109·4	96·7	103·2	721·5	186·1	212·8	221·9	124·3	1,568	1,687		36,850
A	120·2	88·6	101·5†	759·9	173·3	215·4	222·9	129·1	1,393	1,690		36,920
M	102·5	90·4	99·5	816·7	155·6	217·7	226·2	134·5	1,616	1,664	−235	37,480
												37,470
J	104·5†	94·6	99·5	863·7[13]	141·3[13]	221·2†	227·7[13]	137·1	1,470	1,650		37,360
J	104·7†	89·1†	100·0	937·8†[13]	128·8[13]†	231·1	232·8[13]	138·5	1,579	1,872	−183	37,510
A	105·0[13]	93·0[13]		967·1[13]	134·0[13]		241·0[13]	139·3[4]	1,494	1,864	−260	38,370
S				997·0[13]	134·8[13]							
	Percentage change, latest three months on previous three months											
1975 *A*	*+1·6*	*+ 1·2*	*−1·4†*	..	..	*+3·7*	*−0·6*	*+6·6*	*+ 2·7†*	*−7·1†*	..	*+2·5*
M	*−1·2*	*−10·8*	*−3·2*	..	..	*+3·4*	*+1·3*	*+8·1*	*+ 2·2*	*−7·3*	..	*+2·7†*
J	*−2·2*	*−14·2*	*−4·2*	*+16·0*	..	*+4·0*	*+2·3†*	*+9·5*	*− 3·4*	*−6·6*	..	..
J	*−8·8*	*− 8·1*	*−3·6*	*+19·8*	*−22·9*	*+5·0*	*+3·5*	*+9·3*	*+ 5·0*	*+0·2*	..	..
A	*−5·4*	*+ 0·4*		*+20·5*	*−21·5*		*+4·6*	*+7·0*	*− 0·7*	*+6·8*		
S				*+18·9*	*−15·4*						..	*+2·7†*
	Percentage change, latest three months on corresponding period of previous year											
1975 *A*	*+4·2*	*− 4·3*	*−2·2*	*+32·9*	*−35·2*	..	*+ 3·1*	*+20·9*	*+17·6†*	*+ 1·5†*	..	*+10·0*
M	*+2·7*	*−10·5*	*−5·3*	*+40·0*	*−42·0*	*29·0*	*+ 4·1*	*+22·6*	*+17·2*	*− 4·2*	..	*+10·4†*
J	*+1·7*	*−12·5*	*−7·2*	*+47·3*	*−49·6*	*28·1*	*+ 5·6†*	*+24·3*	*+12·6*	*− 5·3*	..	..
J	*−3·5*	*−14·9*	*−8·1*	*+55·2*	*−55·2*	*27·1*	*+ 7·6*	*+25·8*	*+15·2*	*− 3·7*	..	..
A	*−4·4*	*−13·2*		*+59·5*	*−56·8*		*+10·0*	*+26·4*	*+10·1*	*− 0·2*		
S				*+63·4*	*−56·7*						..	

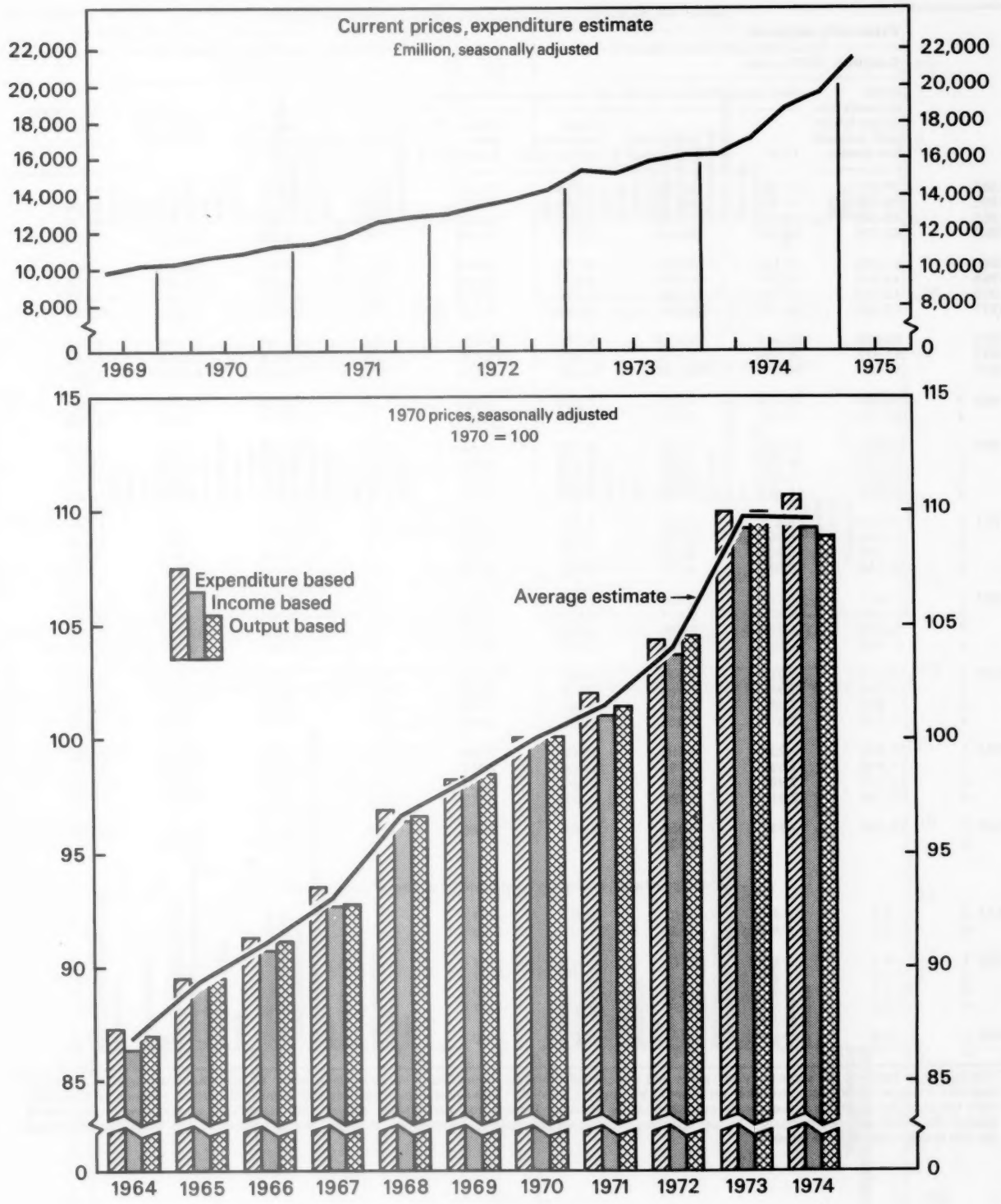
[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] The current series is based on 15 January 1974=100; the retail prices index based on January 1962=100 was 191·8 at that date.
[3] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[4] See footnote [2] on page 12. [5] All industries covered.
[6] Unemployed excluding school-leavers and adult students.
[7] Vacancies notified to employment offices.
[8] Purchased by manufacturing industry.
[9] Amounts outstanding at mid-month. The break in series at mid-April 1973 shows the effect of a change in contributors which is described in *Financial Statistics*.
[10] The figures reflect temporary reductions in earnings while three-day working and other restrictions were in operation.
[11] Figure not available due to industrial action. [12] Estimate of 20 January 1975. [13] Provisional.

Tables and charts

Gross domestic product at factor cost[1]

	Seasonally adjusted								
	At current prices				At 1970 prices				
	£ million		1970=100		£ million	1970=100			
	Based on:		Based on:		Based on:	Based on:			Average estimate §
	expenditure data	income data	expenditure data	income data	expenditure data	expenditure data §	income data[2] §	output data §	
1964	29,243	29,052	67·8	67·2	37,631	87·3	86·4	87·0	86·9
1965	31,221	31,271	72·4	72·3	38,576	89·5	89·3	89·5	89·4
1966	33,123	33,025	76·8	76·4	39,359	91·3	90·7	91·1	91·0
1967	34,942	34,660	81·0	80·1	40,378	93·6	92·6	92·7	93·0
1968	37,417	37,307	86·8	86·3	41,804	96·9	96·4	96·6	96·6
1969	39,298	39,423	91·1	91·2	42,365	98·2	98·3	98·4	98·3
1970	43,123	43,248	100·0	100·0	43,123	100·0	100·0	100·0	100·0
1971	48,538	48,218	112·6	111·5	43,967	102·0	101·0	101·4	101·4
1972	54,451	54,313	126·3	125·6	44,956	104·3	103·7	104·6†	104·2†
1973	62,517	62,328	145·0	144·1	47,375	109·9	109·2	109·9	109·7
1974	71,794	71,100	166·5†	164·4	47,693	110·6	109·2	108·9	109·6
1969 *3*	9,880	9,939	91·6	91·9	10,586	98·2	98·5	98·5	98·4
4	10,122	10,103	93·9	93·4	10,737	99·6	99·1	98·6	99·1
1970 *1*	10,228	10,198	94·9	94·3	10,591	98·2	97·7	99·3	98·4
2	10,674	10,762	99·0	99·5	10,779	100·0	100·5	99·7	100·8
3	10,893	11,024	101·0	102·0	10,819	100·4	101·3	100·4	100·7
4	11,328	11,264	105·0†	104·2	10,934	101·4	100·5†	100·6	100·9
1971 *1*	11,382	11,450	105·6	105·9	10,758	99·8	100·1	100·2	100·0
2	11,868	11,843	110·0	109·5	10,909	101·2	100·7	101·4	101·1
3	12,520	12,340	116·1	114·1	11,145	103·4	101·6	102·0	102·3
4	12,768	12,585	118·4	116·4	11,155	103·5	101·7	102·2	102·4
1972 *1*	12,980	12,582†	120·3	116·4†	11,057	102·6	99·2	101·4	101·1
2	13,373	13,412	124·0	124·0	11,227	104·1	104·2	104·6	104·3
3	13,713	13,546	127·1	125·3	11,209	104·0	102·4	105·4†	103·9
4	14,385	14,773	133·4	133·6	11,463	106·3	106·3	107·0	107·4
1973 *1*	15,418	15,076	143·0	139·4	12,035	111·6	108·9	110·0	110·2†
2	15,220	15,325	141·2	141·7	11,724	108·7	109·2	109·2	109·1
3	15,839	15,736	146·9	145·5	11,846	109·9	108·9	110·4	109·7
4	16,040	16,191	148·8	149·8	11,770	109·2	109·9	110·0	109·7
1974 *1*	16,109	15,678	149·4	145·0	11,525	106·9	103·8	106·8	105·8
2	17,083	16,988	158·5	157·1	11,898	110·3	109·5	109·5	109·8
3	18,916	18,761	175·5	173·5	12,162	112·8	111·6	110·6	111·7
4	19,686	19,673	182·6	182·0	12,108	112·3	112·0	108·8	110·0
1975 *1*	21,503	20,709	199·4	191·5	12,253	113·7	109·1	108·7	110·5
2									
	Percentage change, quarter on corresponding quarter of previous year								
1973 *3*	*+15·5*	*+16·2†*	*+15·6*	*+16·1†*	*+5·7*	*+5·7*	*+6·3*	*+4·7†*	*+5·6*
4	*+11·5*	*+ 9·6*	*+11·5*	*+12·1*	*+2·7*	*+2·7*	*+3·4*	*+2·8*	*+2·1*
1974 *1*	*+ 4·5*	*+ 4·0*	*+ 4·5*	*+ 4·0*	*−4·2*	*−4·2*	*−4·7*	*−2·9*	*−4·0†*
2	*+12·2*	*+10·9*	*+12·3*	*+10·9*	*+1·5*	*+1·5*	*+0·3*	*+0·3*	*+0·6*
3	*+19·4*	*+19·2*	*+19·5*	*+19·2*	*+2·7*	*+2·6*	*+2·5*	*+0·2*	*+1·8*
4	*+22·7*	*+21·5*	*+22·7*	*+21·5*	*+2·9*	*+2·8*	*+1·9†*	*−1·1*	*+0·3*
1975 *1*	*+33·6*	*+32·1*	*+33·5*	*+27·8*	*+6·3*	*+6·3*	*+5·1*	*+1·8*	*+4·4*
2									

[1] These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] Income data deflated by the price index implied by estimates based on expenditure data.


Current prices, expenditure estimate
£million, seasonally adjusted
22,000
20,000
18,000
16,000
14,000
12,000
10,000
8,000
0
1969
1970
1971
1972
1973
1974
1975
1970 prices, seasonally adjusted
1970 = 100
115
110
105
100
95
90
85
0
Expenditure based
Income based
Output based
Average estimate
1964
1965
1966
1967
1968
1969
1970
1971
1972
1973
1974

Expenditure on the gross domestic product

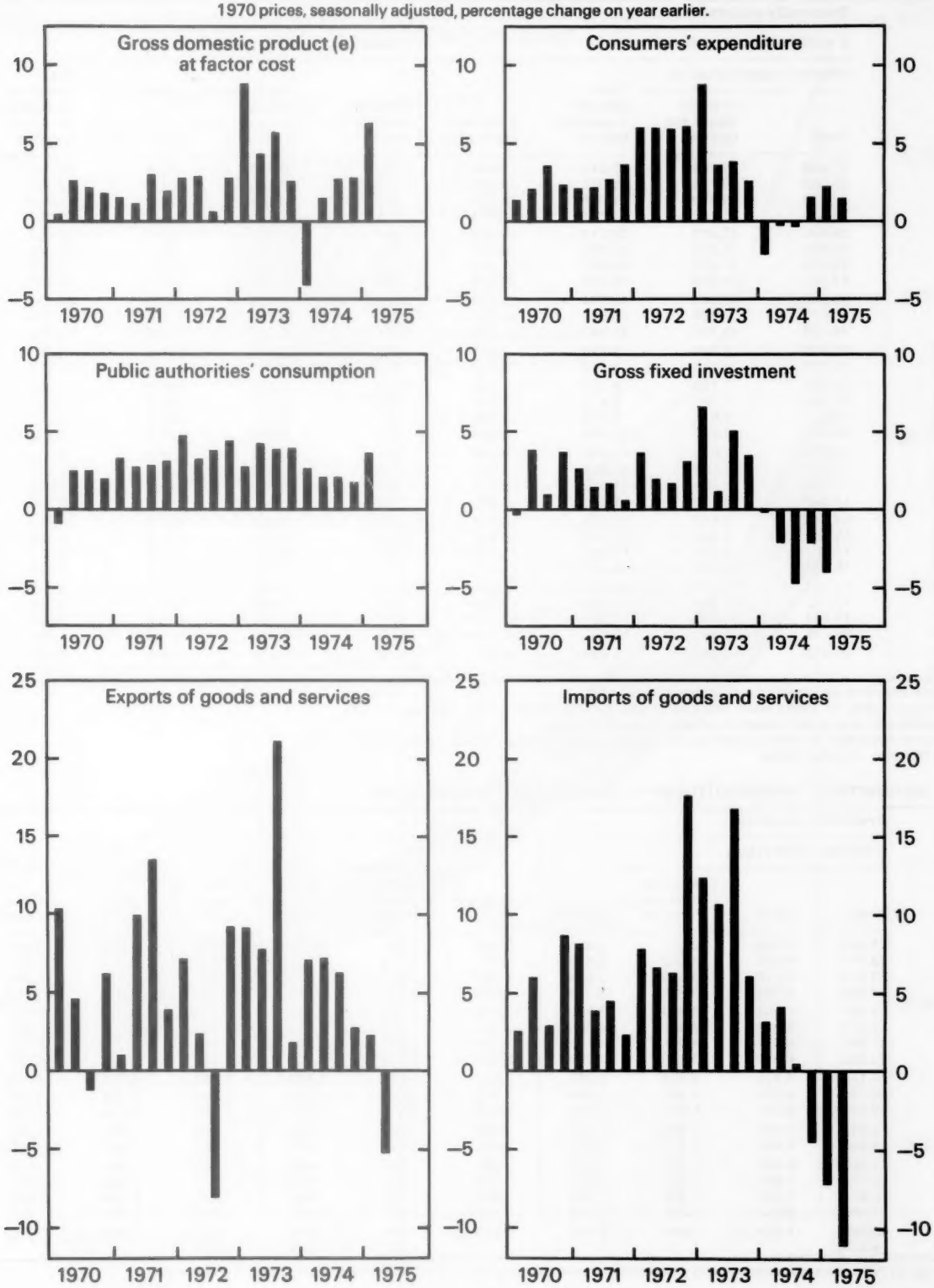
Seasonally adjusted

£ million, 1970 prices

	Gross domestic product at factor cost (expenditure based)	Final expenditure on goods and services at market prices						Imports of goods and services §	Adjustment to factor cost
		Total	Consumers' expenditure §	Public authorities' consumption	Gross fixed investment §	Stockbuilding §	Exports of goods and services §		
1964	37,631	52,889	28,283	8,138	7,541	936	7,991	8,487	6,771
1965	38,576	53,945	28,717	8,357	7,885	614	8,372	8,571	6,798
1966	39,359	55,058	29,269	8,595	8,081	412	8,701	8,781	6,918
1967	40,378	56,866	29,853	9,075	8,764	373	8,801	9,373	7,115
1968	41,804	59,142	30,557	9,103	9,164	500	9,818	10,060	7,278
1969	42,365	59,971	30,636	8,960	9,192	449	10,734	10,354	7,252
1970	43,123	61,529	31,365	9,095	9,378	439	11,252	10,873	7,533
1971	43,967	63,211	32,206	9,366	9,526	76	12,037	11,379	7,865
1972	44,956	65,949	34,132	9,745	9,781	− 54	12,345	12,479	8,514
1973	47,375	70,256	35,730	10,109	10,183	706	13,528	13,898	8,983
1974	47,693	70,596	35,708	10,326	9,954	288	14,320	14,006	8,897
1969 *3*	10,586	15,034	7,639	2,235	2,325	79	2,756	2,621	1,827
4	10,737	15,150	7,743	2,250	2,303	95	2,759	2,584	1,829
1970 *1*	10,591	15,050	7,696	2,237	2,284	27	2,806	2,610	1,849
2	10,779	15,418	7,828	2,273	2,357	164	2,796	2,758	1,881
3	10,819	15,435	7,913	2,290	2,349	162	2,721	2,696	1,920
4	10,934	15,626	7,928	2,295	2,388	86	2,929	2,809	1,883
1971 *1*	10,758	15,475	7,855	2,310	2,344	132	2,834	2,822	1,895
2	10,909	15,705	8,000	2,334	2,389	− 90	3,072	2,866	1,930
3	11,145	15 966	8,130	2,355	2,390	2	3,089	2,818	2,003
4	11,155	16,065	8,221	2,367	2,403	32	3,042	2,873	2,037
1972 *1*	11,057	16,180	8,324	2,421	2,431	− 34	3,038	3,043	2,080
2	11,227	16,435	8,477	2,408	2,438	− 31	3,143	3,058	2,150
3	11,209	16,314	8,605	2,444	2,433	− 7	2,839	2,995	2,110
4	11,463	17,020	8,726	2,472	2,479	18	3,325	3,383	2,174
1973 *1*	12,035	17,717	9,045	2,486	2,591	279	3,316	3,418	2,264
2	11,724	17,344	8,789	2,512	2,468	191	3,384	3,389	2,231
3	11,846	17,582	8,941	2,539	2,558	102	3,442	3,503	2,233
4	11,770	17,613	8,955	2,572	2,566	134	3 386	3,588	2,255
1974 *1*	11,525	17,296	8,855	2,550	2,589	−249	3,551	3,525	2,246
2	11,898	17,592	8,791	2,564	2,415	193	3,629	3,532	2,162
3	12,162	17,893	8,964	2,593	2,437	240	3,659	3,522	2,209
4	12,108	17,815	9,098	2,619	2,513	104	3,481	3,427	2,280
1975 *1*	12,253	17,740	9,059	2,641	2,486	− 79	3,633	3,271	2,216
2			(8,925)[1]				(3,436)[1]	(3,134)[1]	
			Percentage change, quarter on corresponding quarter of previous year						
1973 *3*	*+5·7*	*+7·8*	*+3·9*	*+3·9*	*+5·1*	..	*+21·2*	*+17·0*	*+5·8*
4	*+2·7*	*+3·5*	*+2·6*	*+4·0*	*+3·5*	..	*+ 1·8*	*+ 6·1*	*+3·7*
1974 *1*	*−4·2*	*−2·4*	*−2·1*	*+2·6*	*−0·1*	..	*+ 7·1*	*+ 3·1*	*−0·8*
2	*+1·5*	*+1·4*	—	*+2·1*	*−2·1*	..	*+ 7·2*	*+ 4·2*	*−3·1*
3	*+2·7*	*+1·8*	*−0·3*	*+2·1*	*−4·7*	..	*+ 6·3*	*+ 0·5*	*−1·1*
4	*+2·9*	*+1·1*	*+1·6*	*+1·8*	*−2·1*	..	*+ 2·8*	*− 4·5*	*+1·1*
1975 *1*	*+6·3*	*+2·6*	*+2·3*	*+3·6*	*−4·0*	..	*+ 2·3*	*− 7·2*	*−1·3*
2			*+1·5*				*− 5·3*	*−11·3*	

[1] The figures in brackets are preliminary estimates and are partially forecast, being based on incomplete data. At this stage, estimates of the latest quarterly changes are expected to differ on average by about £30 million (consumers' expenditure) and about £15 million (exports and imports) from the quarterly estimates subsequently published in the National income and expenditure article. For consumers' expenditure in the second quarter the article will incorporate the annual updating of seasonal adjustment and revisions to series; the difference in the estimates of change for this quarter may thus be larger.

1970 prices, seasonally adjusted, percentage change on year earlier.



Personal disposable income and consumption

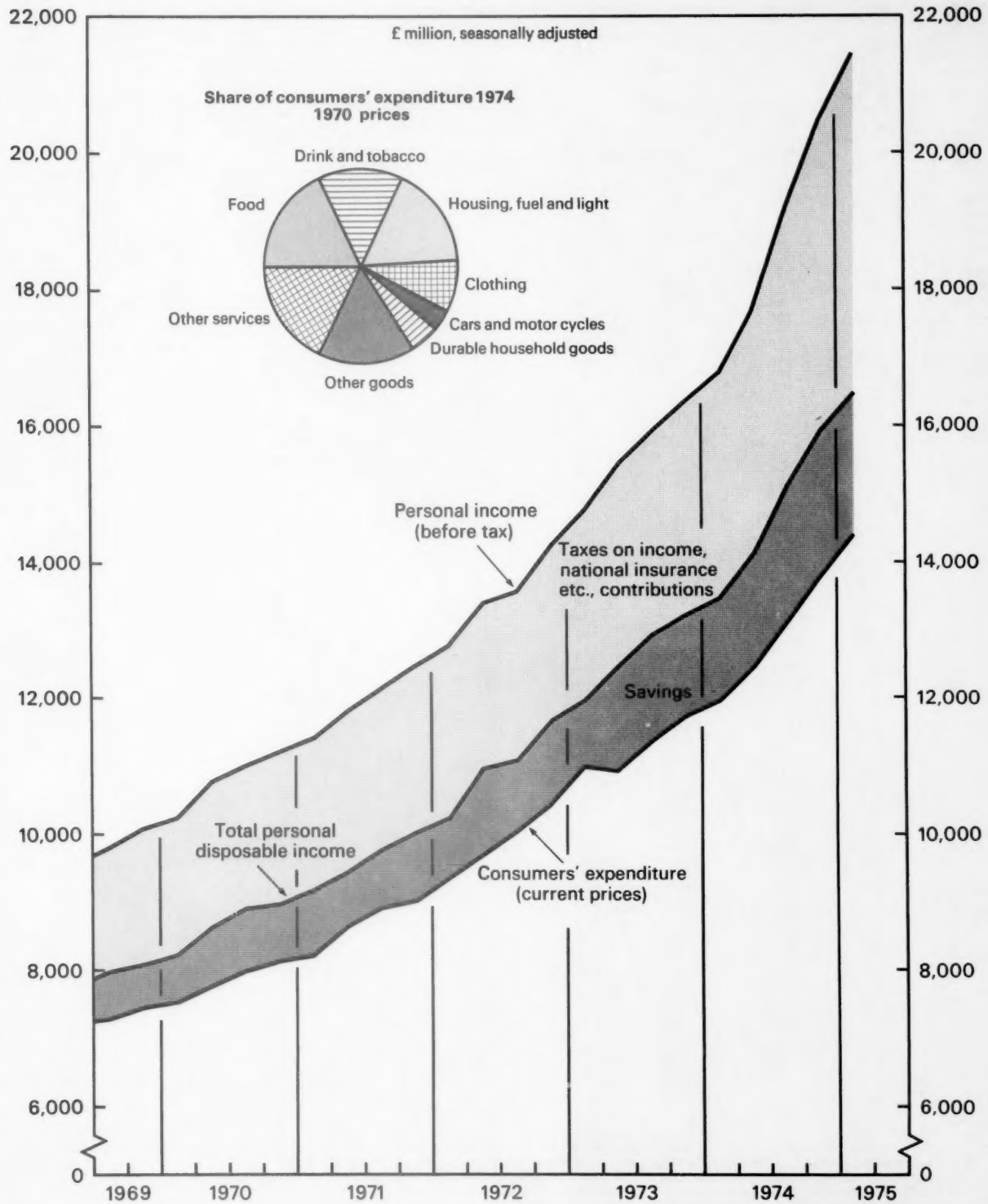
	Seasonally adjusted							
	£ million, current prices				Percentage	1970 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal savings ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1970=100	£ million
1964	27,568	17,765	23,344	21,463	8·1	30,762	88·9	28,283
1965	30,080	19,115	25,071	22,856	8·8	31,500	91·1	28,717
1966	32,190	20,370	26,655	24,227	9·1	32,202	93·1	29,269
1967	33,855	21,140	27,813	25,432	8·6	32,648	94·4	29,853
1968	36,485	22,515	29,719	27,322	8·1	33,236	96·1	30,557
1969	39,054	24,110	31,600	28,951	8·4	33,439	96·7	30,636
1970	43,154	26,830	34,593	31,365	9·3	34,593	100·0	31,365
1971	47,750	29,675	38,456	34,859	9·4	35,529	102·7	32,206
1972	53,948	33,040	43,894	39,428	10·2	37,998	109·8	34,132
1973	62,370	37,795	50,513	44,785	11·3	40,300	116·5	35,730
1974	74,175	45,070	58,540	51,282	12·1	40,762	117·8	35,708
1970 *3*	10,995	6,845	8,826	7,958	9·8	8,776	101·5	7,913
4	11,177	6,965	8,940	8,126	9·1	8,722	100·9	7,928
1971 *1*	11,382	7,165	9,168	8,232	10·2	8,747	101·1	7,855
2	11,795	7,335	9,472	8,637	8·8	8,773	101·4	8,000
3	12,121	7,545	9,793	8,898	9·1	8,947	103·5	8,130
4	12,452	7,630	10,023	9,092	9·3	9,062	104·8	8,221
1972 *1*	12,758	7,835	10,210	9,341	8·5	9,099	105·2	8,324
2	13,377	8,150	10,948	9,681	11·6	9,588	110·9	8,477
3	13,565	8,355	11,085	10,011	9·7	9,529	110·2	8,605
4	14,248	8,700	11,651	10,395	10·8	9,782	113·1	8,726
1973 *1*	14,754	8,980	11,935	10,979	8·0	9,836	113·7	9,045
2	15,402	9,365	12,467	10,906	12·5	10,051	116·2	8,789
3	15,880	9,570	12,903	11,309	12·4	10,205	118·0	8,941
4	16,334	9,880	13,208	11,591	12·2	10,208	118·0	8,955
1974 *1*	16,753	10,010	13,461	11,950	11·2	9,979	115·4	8,855
2	17,712	10,805	14,096	12,443	11·7	9,964	115·2	8,791
3	19,232	11,635	15,091	13,109	13·1	10,323	119·4	8,964
4	20,478	12,620	15,892	13,780	13·3	10,496	121·4	9,098
1975 *1*	21,430	13·540	16,495	14,410	12·6	10,370	119·9	9,059
2								(8,925)[5]

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal disposable income revalued by the implied consumers' expenditure deflator (1970=100).
[5] See footnote [1] to table below.

Real consumers' expenditure — component categories

	Seasonally adjusted									
	£ million, 1970 prices									
	Total §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1964	28,283	6,080	3,621	3,431	1,324	2,336	1,275	866	3,843	5,507
1965	28,717	6,081	3,543	3,548	1,371	2,426	1,307	836	4,027	5,578
1966	29,269	6,170	3,673	3,654	1,387	2,425	1,273	833	4,228	5,626
1967	29,853	6,228	3,765	3,798	1,393	2,443	1,306	900	4,412	5,608
1968	30,557	6,260	3,863	3,939	1,432	2,555	1,378	959	4,620	5,551
1969	30,636	6,264	3,881	4,068	1,484	2,577	1,313	855	4,647	5,547
1970	31,365	6,365	4,031	4,140	1,495	2,666	1,353	969	4,732	5,614
1971	32,206	6,362	4,130	4,230	1,484	2,692	1,451	1,263	4,892	5,702
1972	34,132	6,320	4,436	4,353	1,537	2,873	1,692	1,523	5,325	6,073
1973	35,730	6,391	4,944	4,388	1,568	3,023	1,863	1,559	5,733	6,261
1974	35,708	6,421	5,023	4,500	1,609	3,003	1,739	1,247	5,784	6,382
1973 *3*	8,941	1,598	1,250	1,101	388	745	459	408	1,441	1,551
4	8,955	1,599	1,277	1,090	404	749	471	342	1,449	1,574
1974 *1*	8,855	1,562	1,323	1,100	381	754	443	284	1,441	1,567
2	8,791	1,603	1,220	1,121	390	721	409	337	1,426	1,564
3	8,964	1,642	1,195	1,136	408	774	434	315	1,446	1,614
4	9,098	1,614	1,285	1,143	430	754	453	311	1,471	1,637
1975 *1*	9,059	1,575	1,292	1,140	380	803	454	312	1,455	1,648
2	(8,925)[1]					753	450	(272)[1]		

[1] The figures in brackets are estimated and are partially forecast, being based on incomplete data, see footnote [1] on page 8.


£ million, seasonally adjusted
Share of consumers' expenditure 1974
1970 prices
Drink and tobacco
Food
Housing, fuel and light
Clothing
Other services
Cars and motor cycles
Durable household goods
Other goods
Personal income
(before tax)
Taxes on income,
national insurance
etc., contributions
Savings
Total personal
disposable income
Consumers' expenditure
(current prices)
22,000
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
0
1969
1970
1971
1972
1973
1974
1975

Retail sales, new registrations of cars and hire purchase debt (Great Britain)

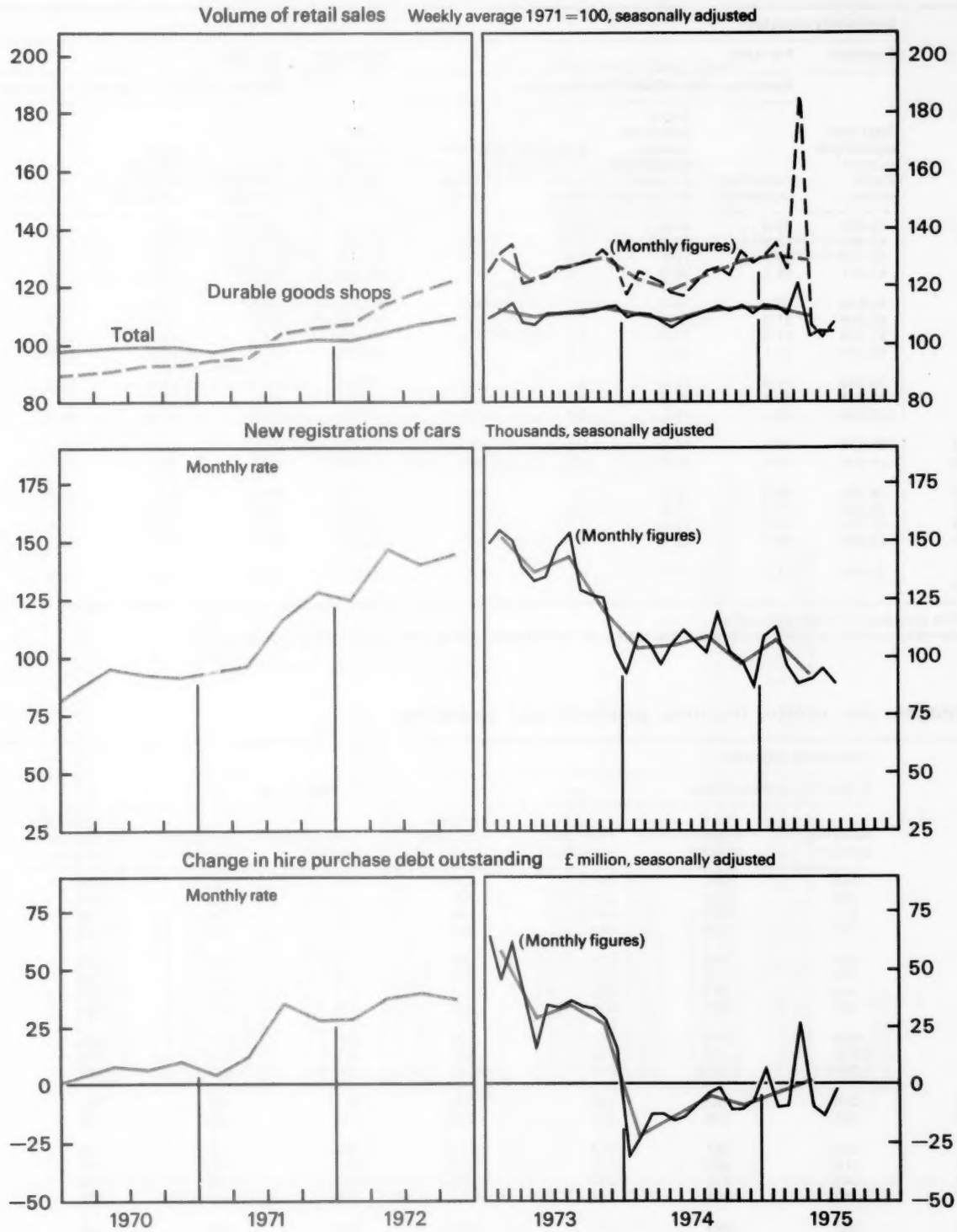
	Seasonally adjusted								
	Weekly average 1971=100						Thousands[1]	£ million	
	Value of retail sales[2]	Volume of retail sales[2]					New registrations of cars§	Hire purchase and other instalment credit[3]	
	Total[4] §	Total[4] §	Food shops[4] §	Clothing and footwear shops§	Durable goods shops§	Other non-food shops§		New credit extended	Changes in debt outstanding
1964	65·4	89·4	96·1	89	81	84	99·2	1,107	+168
1965	69·7	91·6	96·7	93	85	87	93·5	1,590	+121
1966	72·7	92·8	98·3	93	84	89	88·8	1,450	−135
1967	75·3	94·6	99·5	93	87	92	93·1	1,556	− 40
1968	80·4	97·2	100·5	96	92	96	93·1	1,643	+ 46
1969	84·9	97·3	101·6	96	89	96	82·3	1,587	− 20
1970	91·4	99·0	101·7	98	92	99	91·4	1,735	+ 84
1971	100·0	100·0	100·0	100	100	100	108·5	2,053	+240
1972	112·0	105·8	101·5	105	115	109	138·6	2,497	+424
1973	126·9	110·7	101·0	109	127	118	137·1	2,871	+438
1974	146·7	109·9	101·8	107	123	117	102·8	2,517	−155
1969 *3*	85·2	97·2	101·5	96	89	96	86·7	396	− 3
4	86·0	96·9	101·0	95	89	95	76·4	406	− 2
1970 *1*	88·7	98·6	102·3	96	90	98	86·2	413	+ 10
2	90·4	99·1	102·2	99	91	98	95·3	438	+ 24
3	92·5	99·5	101·6	99	93	99	92·5	452	+ 20
4	94·1	99·1	100·9	100	93	98	91·7	432	+ 30
1971 *1*	94·5	97·8	100·5	99	95	95	94·1	431	+ 13
2	99·2	99·7	99·8	100	96	101	96·6	478	+ 37
3	101·7	100·5	99·6	100	104	101	115·9	572	+107
4	104·6	102·1	100·2	101	106	104	127·2	572	+ 83
1972 *1*	105·8	102·1	99·9	100	107	104	124·0	570	+ 84
2	109·3	104·8	101·1	104	114	107	146·6	619	+112
3	114·1	107·3	101·7	108	118	111	139·5	638	+118
4	118·6	109·2	103·1	107	122	114	144·2	670	+110
1973 *1*	123·5	111·8	100·8	116	130	118	151·5	761	+171
2	122·0	108·3	100·7	105	122	115	135·5	681	+ 87
3	127·8	110·6	101·4	108	127	118	142·9	717	+103
4	134·2	112·0	101·3	109	130	121	118·6	712	+ 77
1974 *1*	136·8	109·8	100·1	107	122	119	102·7	576	− 68
2	140·6	107·3	100·8	103	118	114	104·3	614	− 43
3	150·6	111·0	103·3	111	124	117	108·7	648	− 15
4	158·5	111·6	103·0	108	128	119	95·7	679	− 29
1975 *1*	166·2	111·5	100·5	112	130	119	106·0	723	− 12
2	174·0	108·7	98·7	108	129	115	91·2	756	+ 3
1974 *A*	138·9	107·9	100·3	104	121	115	96·5	202	− 13
M	138·7	105·6	100·2	98	117	112	105·3	207	− 16
J	143·5	108·2	101·7	106	116	115	111·0	205	− 14
J	146·6	109·2	102·3	107	121	115	105·7	216	− 9
A	150·5	111·4	102·7	111	125	118	101·9	215	− 4
S	154·0	112·2	104·5	113	126	117	118·5	217	− 2
O	156·4	111·4	102·8	111	124	118	101·9	231	− 11
N	160·3	112·8	103·9	108	132	120	98·3	224	− 11
D	158·8	110·8	102·4	104	128	119	86·9	224	− 7
1975 *J*	165·8	113·0	101·5	117	130	120	109·5	246	+ 7
F	166·7	112·3	101·0	112	135	120	112·8	243	− 10
M	166·3	109·4	99·2	108	126	118	96·7	234	− 9
A	184·4	120·2	102·1	111	185	125	88·6	271	+ 26
M	165·9	102·5	95·9	103	106	109	90·4	247	− 10
J	172·1	104·5	98·1	109	102	112	94·6	238	− 13†
J	174·4	104·7	97·3	110	108	111	89·1	246	− 2
A									
S									

[1] Monthly averages.

[2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1975 is exceptionally a five-week period. Further details are given in the Technical note to the retail sales figures on page 716 of *Trade and Industry*, 14 March 1975.

[3] Credit extended by and repaid to finance houses and retailers, i.e. durable goods shops and department stores *plus* (from 1965) other general stores, general mail order houses and the non-durable goods departments of co-operative societies.

[4] These indices are given to one decimal place, but this does not imply that they can be regarded as accurate to the last digit shown.


Volume of retail sales
Weekly average 1971 = 100, seasonally adjusted
200
180
160
140
120
100
80
Durable goods shops
Total
(Monthly figures)
New registrations of cars
Thousands, seasonally adjusted
Monthly rate
175
150
125
100
75
50
25
(Monthly figures)
Change in hire purchase debt outstanding
£ million, seasonally adjusted
Monthly rate
75
50
25
0
−25
−50
(Monthly figures)
1970
1971
1972
1973
1974
1975

Shares of income and expenditure

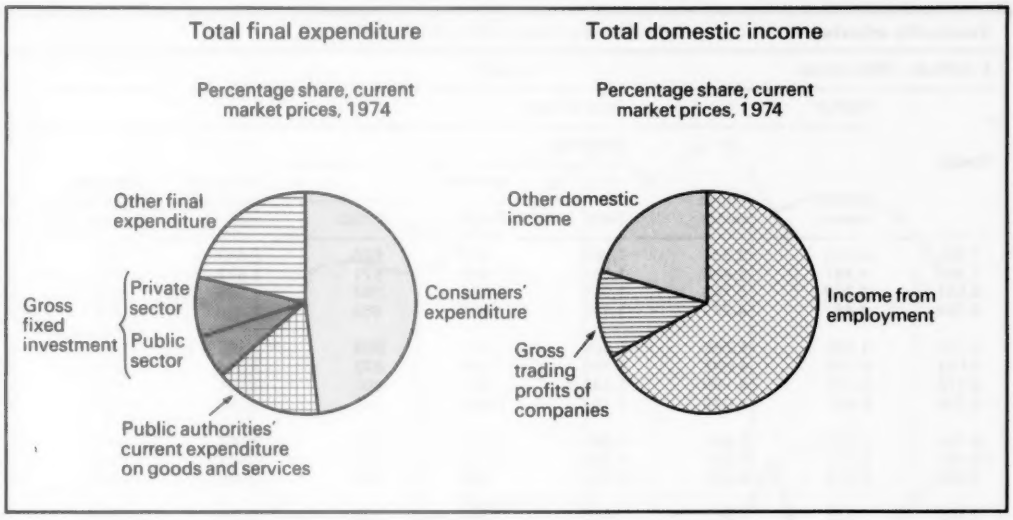
	Seasonally adjusted								
	£ million	Per cent				£ million	Per cent		
		Percentage share of total final expenditure					Percentage share of total domestic income		
	Total final expenditure (current market prices)	Consumers' expenditure	Public authorities' current expenditure on goods and services	Gross fixed investment: Public sector	Gross fixed investment: Private sector	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1,2]
1964	39,891	53·8	13·8	6·5	8·7	29,344	67·2	15·5	17·3
1965	42,485	53·8	14·2	6·5	8·8	31,589	67·4	15·0	17·6
1966	45,123	53·7	14·6	6·9	8·4	33,380	68·3	13·8	17·9
1967	47,841	53·2	15·2	7·6	8·1	34,840	68·1	13·4	18·5
1968	52,514	52·0	14·7	7·2	8·4	37,881	66·9	13·9	19·1
1969	55,910	51·8	14·5	6·7	8·7	40,158	67·4	12·8	19·7
1970	61,529	51·0	14·8	6·7	8·6	44,400	68·1	12·3	19·6
1971	68,274	51·1	15·2	6·5	8·7	49,311	67·9	12·3	19·8
1972	75,999	51·9	15·5	6·1	9·1	55,672	67·3	12·5	20·3
1973	89,304	50·1	14·9	6·2	9·6	65,423	65·6	13·4	21·0
1974	106,574	48·1	15·5	6·5	8·9	77,037	66·9	12·8	20·3
1973 *3*	22,724	49·8	14·9	6·2	9·5	16,635	65·5	13·3	21·2
4	23,406	49·5	14·9	6·4	9·6	17,203	65·5	13·1	21·5
1974 *1*	24,153	49·5	15·1†	7·4	9·0	17,736	64·7	14·4	20·9
2	26,022	47·8	14·9	5·9	8·9	18,609	66·1	13·3	20·7
3	27,713	47·3	15·4	6·1	8·7	19,848	67·3	12·6	20·0
4	28,686	48·0	16·3	6·7	8·7	20,844	69·3	11·1	19·6
1975 *1*	30,094	47·9	17·3	7·1	8·4	22,314	69·5	11·7	18·8
2									

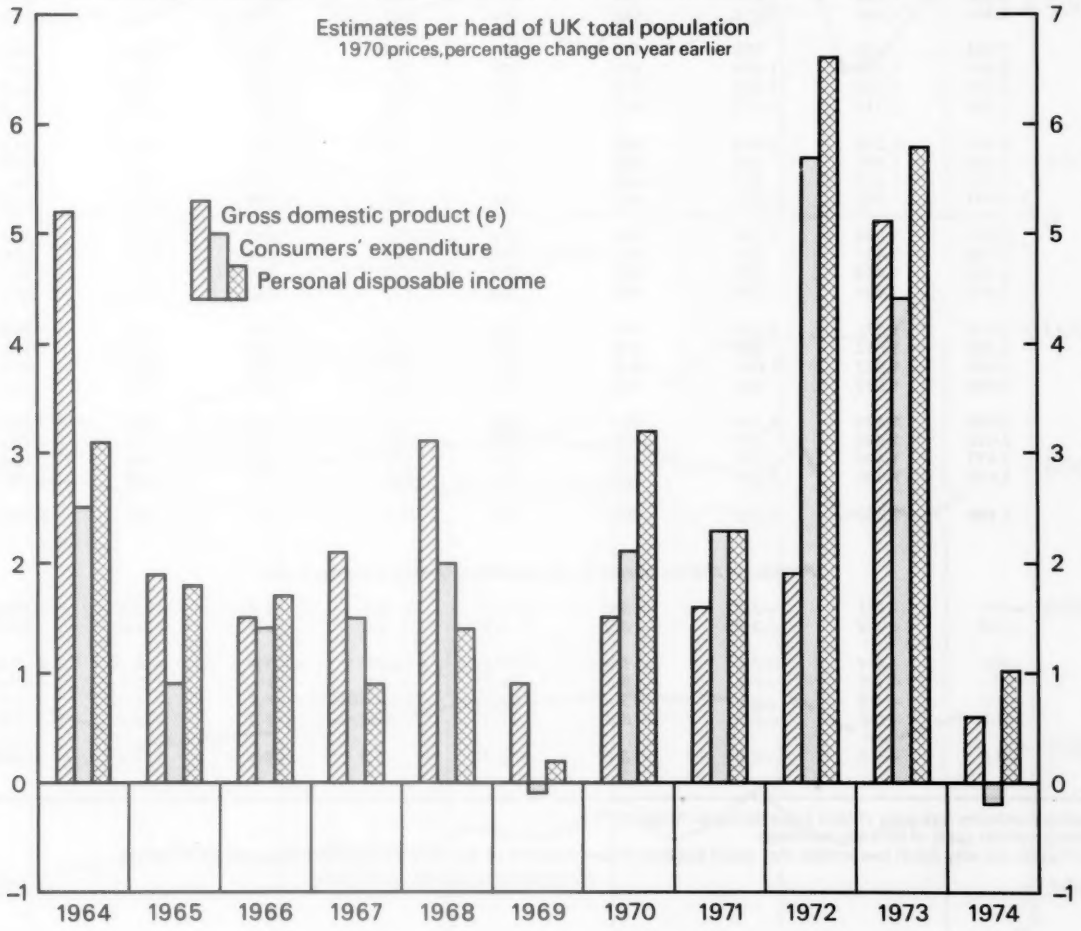
[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and other public enterprises, income from rent and self-employment.

Estimates, *per capita*, income, product and spending

	Seasonally adjusted						
	£, current market prices				£, 1970 prices		
	Gross national product	Gross domestic product[1]	Consumers' expenditure	Personal disposable income	Gross domestic product[1]	Consumers' expenditure	Personal disposable income
1964	549	541	397	432	696	523	569
1965	582	574	420	461	709	528	579
1966	613	606	443	488	720	536	589
1967	643	636	463	506	735	543	594
1968	684	678	495	539	758	554	603
1969	719	710	523	571	765	553	604
1970	786	777	565	623	777	565	623
1971	881	871	626	690	789	578	638
1972	984	974	706	786	805	611	680
1973	1,135	1,116	799	902	846	638	719
1974	1,303†	1,280†	915	1,044	850	637	727
1973 *3*	288	283	202	230	211†	160	182
4	294	286	207	236	210	160	182
1974 *1*	293	287	213	240	206	158	178
2	310	305†	222	252	212	157	178
3	343	337	234	269	217	160	184
4	357†	351	246	283	216	162	187
1975 *1*	387	383	257	294	218	162	185
2							

[1] Based on expenditure data.


Total final expenditure
Percentage share, current market prices, 1974
Other final expenditure
Gross fixed investment
Private sector
Public sector
Consumers' expenditure
Public authorities' current expenditure on goods and services
Total domestic income
Percentage share, current market prices, 1974
Other domestic income
Income from employment
Gross trading profits of companies


Estimates per head of UK total population
1970 prices, percentage change on year earlier
Gross domestic product (e)
Consumers' expenditure
Personal disposable income
7
6
5
4
3
2
1
0
–1
1964
1965
1966
1967
1968
1969
1970
1971
1972
1973
1974

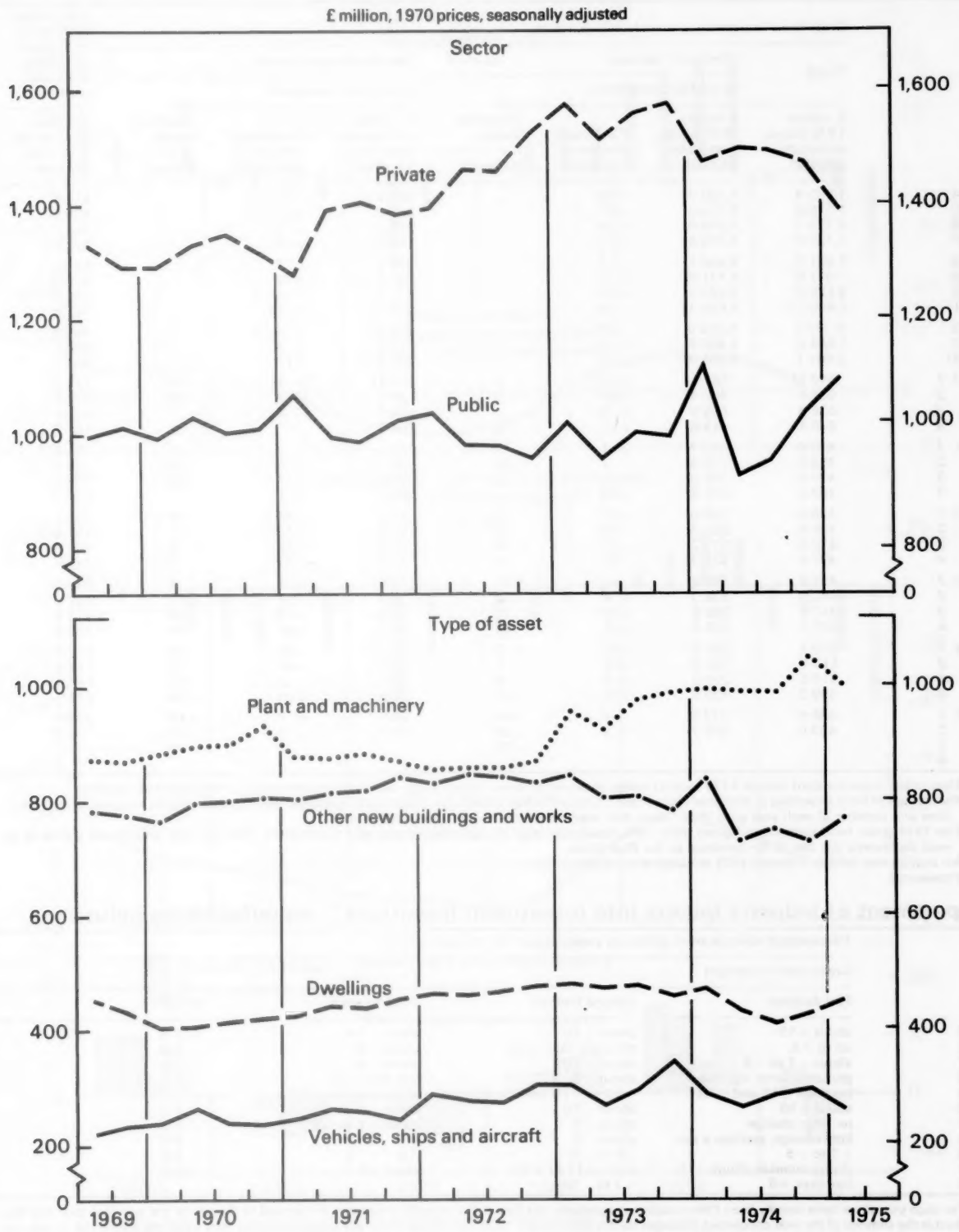
Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1970 prices

	Total§	Sector[1]		Type of asset					
				Dwellings			Other new buildings and works[2]	Vehicles, ships and aircraft	Plant and machinery
		Private sector	Public sector	Total	*of which:* Private	*of which:* Public			
1964	7,541	4,210	3,331	1,503	875	628	2,467	767	2,804
1965	7,885	4,387	3,498	1,561	890	671	2,572	751	3,001
1966	8,081	4,339	3,742	1,604	847	757	2,585	672	3,220
1967	8,764	4,487	4,277	1,781	915	866	2,857	752	3,374
1968	9,164	4,898	4,266	1,866	957	909	2,995	925	3,378
1969	9,192	5,190	4,002	1,786	894	892	3,044	909	3,453
1970	9,378	5,278	4,100	1,642	841	801	3,161	970	3,605
1971	9,526	5,451	4,075	1,752	1,007	745	3,276	1,003	3,495
1972	9,781	5,827	3,954	1,861	1,147	714	3,346	1,141	3,433
1973	10,183	6,212	3,971	1,884	1,185	699	3,233	1,222	3,844
1974	9,954	5,918	4,036	1,744	958	786	3,048	1,134	4,028
1969 *3*	2,325	1,328	997	455	222	233	781	218	871
4	2,303	1,289	1,014	428	205	223	774	231	870
1970 *1*	2,284	1,289	995	403	204	199	763	236	882
2	2,357	1,328	1 029	406	205	201	793	261	897
3	2,349	1,346	1,003	413	211	202	799	238	899
4	2,388	1,315	1,073	420	221	199	806	235	927
1971 *1*	2,344	1,275	1,069	424	236	188	802	245	873
2	2,389	1,391	998	440	246	194	815	262	872
3	2,390	1,403	987	434	254	180	819	255	882
4	2,403	1,382	1,021	454	271	183	840	241	868
1972 *1*	2,431	1,395	1,036	462	278	184	830	286	853
2	2,438	1,457	981	460	279	181	845	274	859
3	2,433	1,454	979	464	292	172	841	271	857
4	2,479	1,521	958	475	298	177	830	310	864
1973 *1*	2,591	1,571	1,020	479	300	179	843	310	959
2	2,468	1,512	956	470	304	166	803	271	924
3	2,558	1,557	1,001	478	297	181	806	297	977
4	2,566	1,572	994	457	284	173	781	344	984
1974 *1*	2,589	1,471	1,118	472	249	223[3]	839	283	995
2	2,415	1,492	923	430	248	182[3]	730	265	990
3	2,437	1,486	951	414	226	188	747	288	988
4	2,513	1,469	1,044	428	235	193	732	298	1,055
1975 *1*	2,486	1,390	1,096	454	234	220	767	261	1,004
2									
	Percentage change, quarter on corresponding quarter of previous year								
1973 *3*	*+5·1*	*+7·1*	*+2·3*	*+ 3·0*	*+ 1·7*	*+ 5·2*	*−4·2*	*+ 9·6*	*+14·0*
4	*+3·5*	*+3·4*	*+3·8*	*− 3·8*	*− 4·7*	*− 2·3*	*−5·9*	*+11·0*	*+13·9*
1974 *1*	*−0·1*	*−6·4*	*+9·6*	*− 1·5*	*−17·0*	*+24·6*	*−0·5*	*− 8·7*	*+ 3·8*
2	*−2·1*	*−1·3*	*−3·4*	*− 8·5*	*−18·4*	*+ 9·6*	*−9·1*	*− 2·2*	*+ 7·1*
3	*−4·7*	*−4·6*	*−5·0*	*−13·4*	*−23·9*	*+ 3·9*	*−7·3*	*− 3·0*	*+ 1·1*
4	*−2·1*	*−6·6*	*+5·0*	*− 6·3*	*−17·3*	*+11·6*	*−6·3*	*−13·4*	*+ 7·2*
1975 *1*	*−4·0*	*−5·5*	*−2·0*	*− 3·8*	*− 6·0*	*− 1·3*	*−8·6*	*− 7·8*	*+ 0·9*
2									

[1] Including purchases *less* sales of land and existing buildings.
[2] Including transfer costs of land and buildings.
[3] These figures are very much less reliable than usual because of low response by the local authorities to the quarterly enquiries.


£ million, 1970 prices, seasonally adjusted
Sector
1,600
1,400
1,200
1,000
800
0
Private
Public
Type of asset
1,000
800
600
400
200
0
Plant and machinery
Other new buildings and works
Dwellings
Vehicles, ships and aircraft
1969
1970
1971
1972
1973
1974
1975

Indicators of fixed investment by manufacturing industry

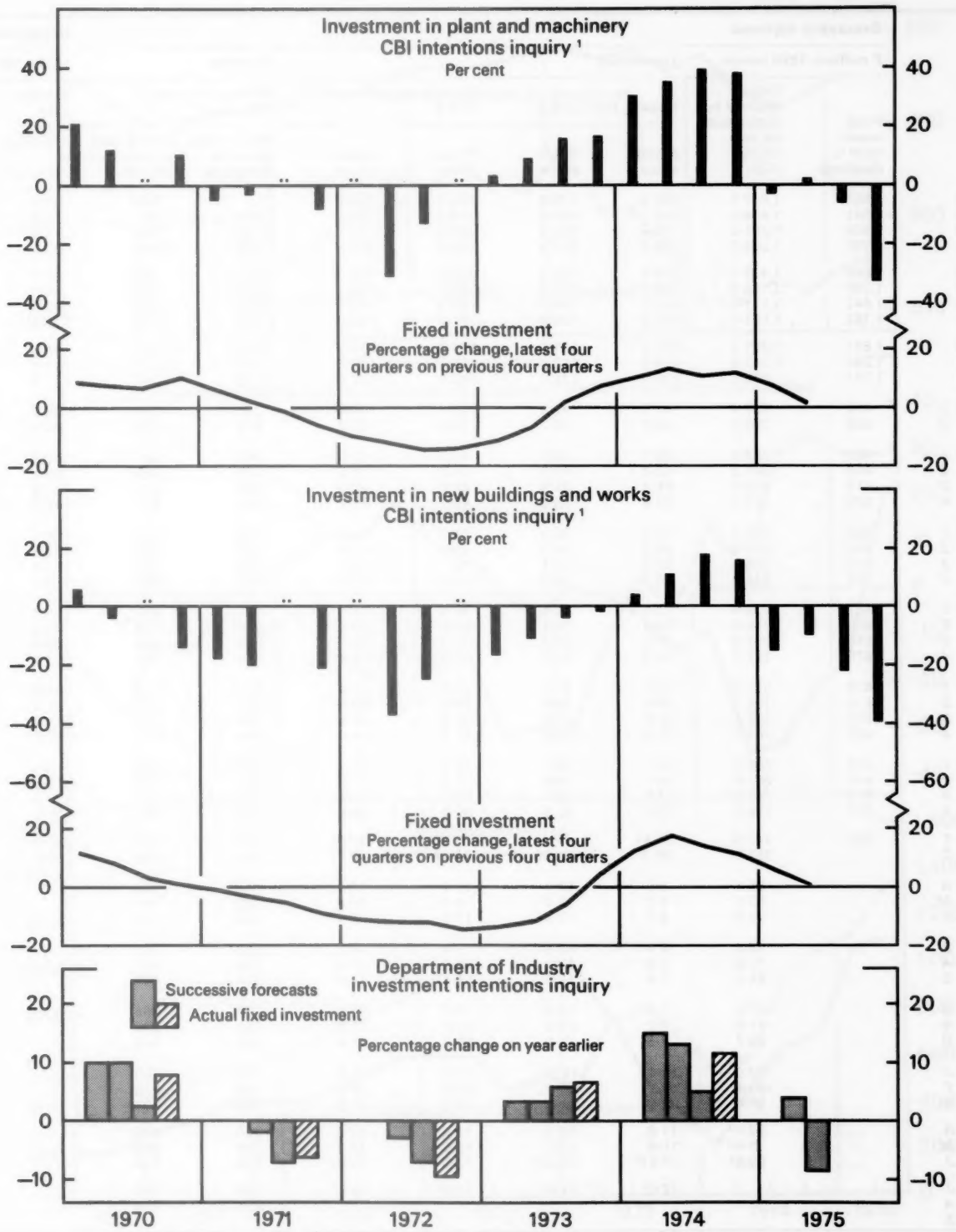
	Gross fixed investment in manufacturing industry						New orders received by contractors for private industrial work(GB)[1]
	Total§	Plant and machinery			New building and works		
		Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment	CBI Intentions Inquiry	
	£ million, 1970 prices, seasonally adjusted	£ million, 1970 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[2]	£ million, 1970 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[2]	£ million, 1970 prices, seasonally adjusted
1964	1,560·8	1,120·7	*+12*	..	342·4	*+14*	..	518·5
1965	1,726·0	1,239·8	*+11*	..	384·0	*+12*	..	535·6
1966	1,773·7	1,312·0	*+ 6*	..	363·4	*− 5*	..	510·1
1967	1,737·7	1,318·6	*+ 1*	..	319·6	*−12*	..	527·9
1968	1,851·2	1,406·1	*+ 7*	..	335·9	*+ 5*	..	549·6
1969	1,977·5	1,471·5	*+ 5*	..	390·1	*+16*	..	605·9
1970	2,129·8	1,623·9	*+10*	..	391·2	*—*	..	565·2
1971	1,990·7†	1,520·2†	*− 6*	..	357·1†	*− 9*†	..	417·3
1972	1,737·5	1,310·0	*−14*†	..	306·3	*−14*	..	469·8
1973	1,864·4	1,408·6	*+ 8*	..	322·0	*+ 5*	..	590·6
1974[3]	2,087·1	1,581·9	*+12*	..	360·8	*+12*	..	497·2
1970 *1*	512·5†	380·1†	*+18*†	− 5	93·9†	*+ 3*†	−18	123·5
2	534·6	406·4	*+10*	− 3	99·1	*+ 3*	−20	137·9
3	536·6	409·6	*+ 8*	..	98·0	*− 4*	..	143·6
4	546·1	418·8	*+ 7*	− 8	100·2	*—*	−21	160·2
1971 *1*	512·8	393·7	*+ 1*	..[4]	91·1	*− 3*	..[3]	111·6
2	498·5	379·8	*− 7*	−31	89·7	*− 9*	−37	98·9
3	497·1	382·9	*− 7*	−13	87·0	*−11*	−25	102·6
4	482·3	363·8	*−13*	..	89·3	*−11*	..	104·2
1972 *1*	458·5	350·0	*−11*	3	81·0	*−11*	−17	109·0
2	428·6	322·0	*−15*	9	77·7	*−13*	−11	107·8
3	422·8	315·2	*−18*	16	76·2	*−12*	− 4	105·5
4	427·6	322·8	*−11*	17	71·4	*−20*	− 2	147·5
1973 *1*	457·8	350·6	*—*	30	73·9	*− 9*	4	133·2
2	442·9	336·3	*+ 4*	35	75·3	*− 3*	11	137·0
3	487·6	366·5	*+16*	39	86·8	*+14*	18	154·6
4	476·1	355·2	*+10*	38	86·0	*+20*	16	165·8
1974 *1*	519·1	392·7	*+12*	− 3	90·7	*+23*	−15	117·3
2	513·1	390·3	*+16*	2	86·8	*+15*	−10	116·0
3	515·7	390·3	*+ 6*	− 6	88·5	*+ 2*	−22	148·0
4	539·2	408·6	*+15*	−33	94·8	*+10*	−39	115·9
1975 *1*	496·6	377·8	*− 4*	−41	89·5	*− 1*	−47	108·5
2	462·0	356·7	*− 9*	−27	80·4	*− 7*	−42	69·8[5]
3				−24			−39	
4								

[1] New orders from the third quarter 1974 include orders received by firms, mostly small, which have been added to the statistical register.
[2] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less. Figures relate to Inquiries in February, June and October of each year until 1972, when they are held in the first month of each quarter.
[3] The 1974 gross fixed investment figures differ from those published in *National Income and Expenditure 1964-74* (the Blue Book) owing to an error discovered too late to be corrected in the Blue Book
[4] No Inquiry was held in February 1971 because of the postal strike.
[5] Provisional.

Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year			
	Gross fixed investment			
	First forecast	Second forecast	Third forecast	Actual
1965	about +10	about +10	about +10	+15·5
1966	up to +5	not more than +2½	about −4	+ 2·8
1967	about −7 or −8	about −10	about −6	− 2·5
1968	probably some increase	about +5	less than +5	+ 6·4
1969	between +10 and +15	+10 to +15, perhaps top end	of the order of +10	+ 7·0
1970	about +10	about +10	about +2 or +3	+ 7·8
1971	no large change	about −2	about −6 to −8	− 6·3
1972	little change, perhaps a rise	about −3	−7	− 9·7
1973	+2 to +5	+2 to +5	+6	+ 6·6
1974	strong increase about +15	some +12 to +14	about +5	+10·8
1975	less than +5	−7 to −10		

[1] For each year there have usually been three successive forecasts: the first in the preceding summer, the second at the end of the previous year and the third in the summer of the year concerned. Changes for the years before 1966 are in terms of current prices; those for later years are expressed in volume terms, after making an appropriate allowance for price changes.

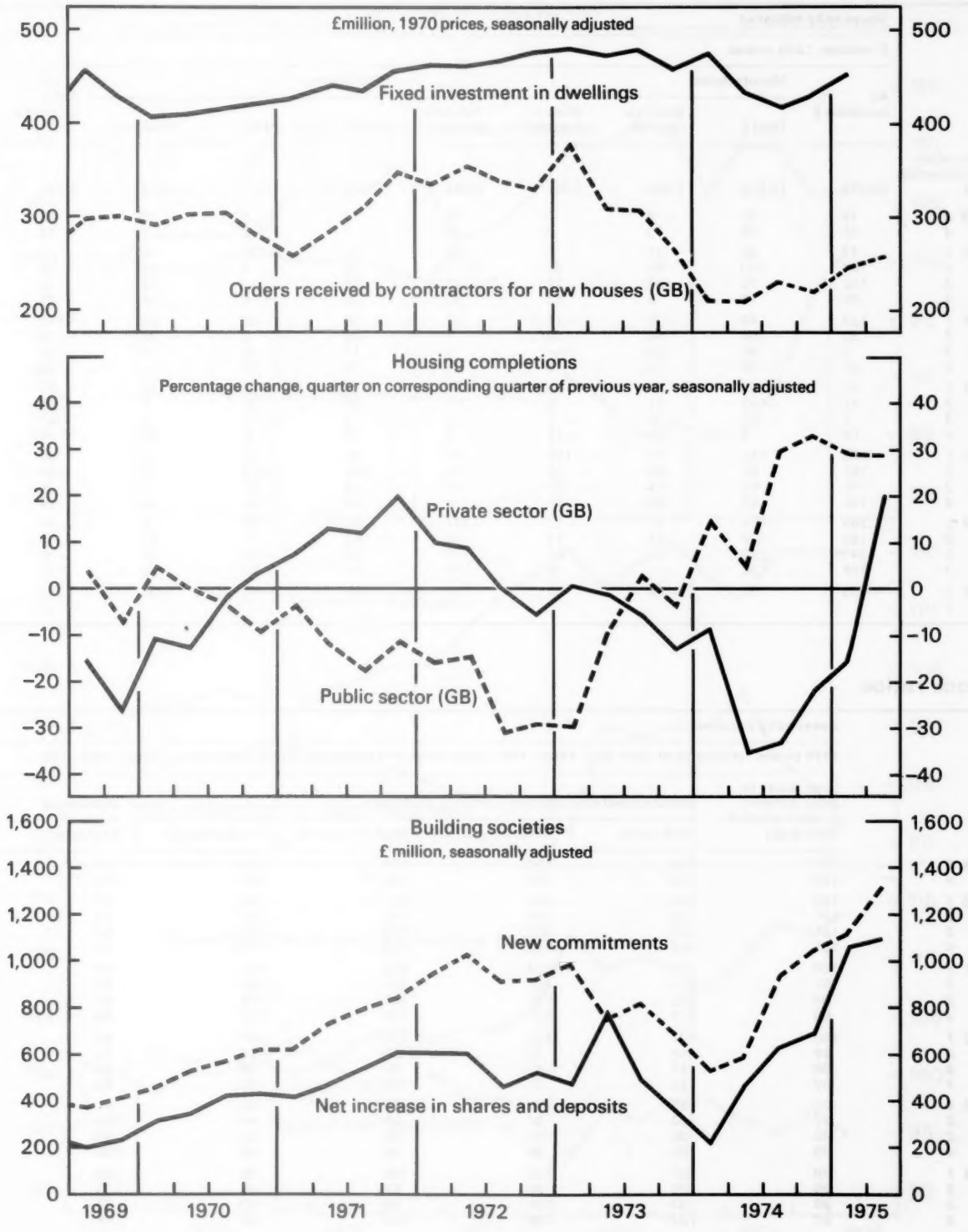


[1] The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment.

Indicators of fixed investment in dwellings

	Seasonally adjusted								Unadjusted
	£ million, 1970 prices		Thousands				£ million		1970=100
			Housing starts (GB)§		Housing completions (GB)§		Building Societies Association		
	Fixed investment in dwellings	Orders received by contractors for new houses (GB)[1]	Private sector	Public sector	Private sector	Public sector	New commitments for mortgages	Net increase in shares and deposits	Average price of new dwellings on mortgage[2]
1964	1,503	1,537·1	247·5	178·6	218·1	155·6	..	503	66·9
1965	1,561	1,494·3	211·1	181·4	213·8	168·5	1,003	651	73·5
1966	1,604	1,381·2	193·4	185·9	205·4	180·1	1,223	724	78·6
1967	1,781	1,665·9	233·6	213·9	200·4	203·9	1,649	1,099	83·5
1968	1,866	1,435·7	200·1	194·3	222·0	191·7	1,480	767	87·7
1969	1,786	1,165·9	166·8	176·6	181·7	185·1	1,580	895	94·0
1970	1,642	1,171·6	165·1	154·1	170·3	180·1	2,188	1,490	100·0
1971	1,752	1,191·3	207·3	136·6	191·6	158·9	3,013	2,034	112·6
1972	1,861	1,351·3	227·4	123·0	196·3	122·8	3,802	2,193	144·3
1973	1,884	1,247·9	214·9	112·8	186·1	107·5	3,254	2,102	197·7
1974	1,744	865·1	105·0	146·8	139·6	128·6	3,115	1,993	221·0
1969 *3*	455	297·4	41·3	47·3	45·0	48·4	380	200	94·9
4	428	298·9	38·0	39·2	41·6	47·7	411	228	96·7
1970 *1*	403	289·9	35·1	35·8	42·2	45·4	460	301	97·3
2	406	301·2	42·2	40·2	41·3	45·1	533	343	99·1
3	413	303·2	44·4	39·9	44·1	46·5	569	420	101·5
4	420	277·3	43·4	38·2	42·7	43·1	626	426	101·5
1971 *1*	424	257·1	47·0	35·9	45·2	43·4	628	415	106·5
2	440	280·9	46·3	33·0	46·3	39·4	739	466	109·8
3	434	306·4	53·8	33·1	49·1	38·1	798	546	115·0
4	454	346·9	60·2	34·6	51·0	38·0	848	607	118·0
1972 *1*	462	333·6	52·4	35·4	49·4	36·4	947	603	125·3
2	460	352·9	57·6	28·5	50·1	33·5	1,030	598	135·5
3	464	337·3	57·6	28·4	48·9	26·1	909	466	154·0
4	475	327·5	59·8	30·7	47·9	26·8	916	526	167·1
1973 *1*	479	375·2	63·5	31·2	49·5	25·4	991	464	184·9
2	470	306·1	55·6	26·9	49·3	29·9	759	784	195·5
3	478	303·5	52·8	27·2	45·8	26·6	816	498	203·3
4	457	263·1	43·0	27·5	41·5	25·6	688	356	209·7
1974 *1*	472	208·0	34·1	35·7	44·8	29·0	533	218	216·8
2	430	207·6	26·1	38·9	31·9	31·2	598	456	217·6
3	414	230·0	22·5	36·7	30·5	34·5	931	634	222·8
4	428	219·5	22·3	35·5	32·4	33·9	1,053	685	225·1
1975 *1*	454	247·8	34·4†	44·4†	37·9†	37·4†	1,122	1,061	233·8
2		257·8[3]	36·3[3]	36·9[3]	38·3[3]	40·1[3]	1,321	1,090	238·2
1974 *A*	..	66·1	8·7	13·1	11·7	10·1	150	136	..
M	..	67·1	8·7	13·0	9·7	10·7	204	152	..
J	..	74·4	8·7	12·8	10·5	10·4	244	168	..
J	..	76·8	7·1	10·9	9·4	10·7	286	207	..
A	..	72·0	7·9	13·2	10·0	11·9	294	232	..
S	..	81·2	7·5	12·6	11·1	11·9	351	195	..
O	..	67·3	7·1	12·6	11·1	11·0	377	208	..
N	..	71·5	7·7	11·8	11·0	11·5	332	234	..
D	..	80·7	7·5	11·1	10·3	11·4	344	243	..
1975 *J*	..	67·0	10·4	15·6	12·2	11·5	374	303	..
F	..	100·4	12·0	16·0	11·6	14·1	380	328	..
M	..	80·4	12·0	12·8	14·1	11·8	368	430	..
A	..	92·4[3]	11·8	10·7	11·8	13·3	456	448	..
M	..	75·6[3]	11·9	13·8	13·0	13·3	436	368	..
J	..	89·8[3]	12·6†[3]	12·4[3]†	13·5†[3]	13·5†[3]	429	274	..
J	..		12·0[3]	14·0[3]	11·0[3]	14·0[3]	438	301	..
A							424	378	..
S									

[1] New orders from July 1974 include orders received from firms, mostly small, which have now been added to the statistical register.
[2] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have advanced mortgages during the period. The cost of land is included. Figures relate to average for the quarter. [3] Provisional.


£million, 1970 prices, seasonally adjusted
Fixed investment in dwellings
Orders received by contractors for new houses (GB)
500
400
300
200
Housing completions
Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted
Private sector (GB)
Public sector (GB)
40
30
20
10
0
−10
−20
−30
−40
Building societies
£ million, seasonally adjusted
New commitments
Net increase in shares and deposits
1,600
1,400
1,200
1,000
800
600
400
200
0
1969
1970
1971
1972
1973
1974
1975

Stock changes

Seasonally adjusted

£ million, 1970 prices

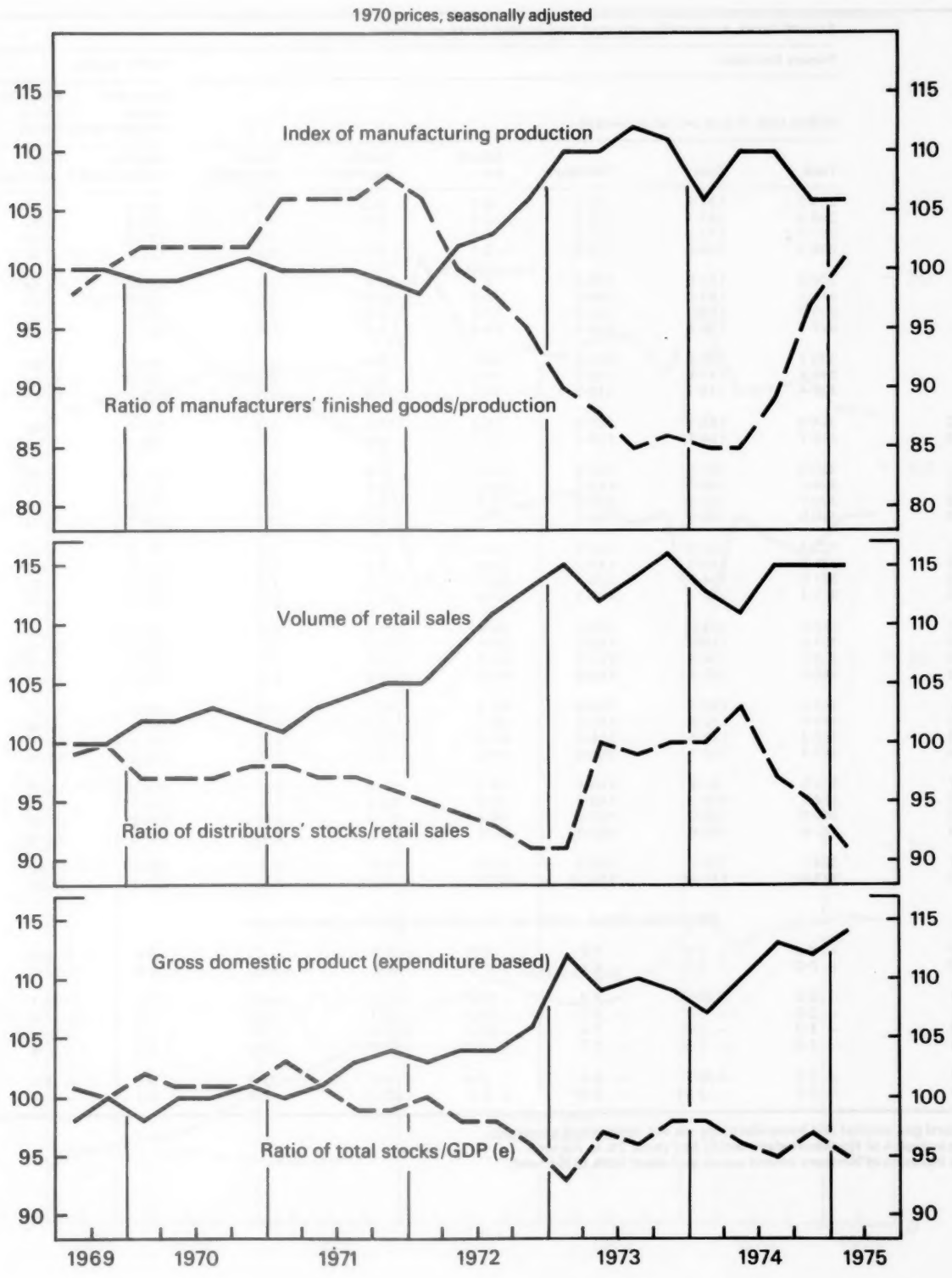
	All industries §	Manufacturing				Distribution			Other industries
		Total §	Materials and fuel	Work in progress	Finished goods	Total	Retail	Wholesale	
Book values end-December									
1974	18,039	10,524	3,899	4,061	2,564	3,625	1,811	1,814	3,890
1969 *3*	79	27	− 9	2	34	17	− 2	19	35
4	95	68	13	− 5	60	9	8	1	18
1970 *1*	27	63	21	8	34	− 24	−29	5	−12
2	164	110	54	57	− 1	25	7	18	29
3	162	72	32	17	23	16	—	16	74
4	86	78	6	40	32	28	− 1	29	−20
1971 *1*	132	49	− 3	−11	63	− 18	−32	14	101
2	− 90	−104	−44	−67	7	29	3	26	−15
3	2	− 35	−39	—	4	17	8	9	20
4	32	− 36	−33	−18	15	20	17	3	48
1972 *1*	− 34	− 62	− 4	13	− 71	1	−16	17	27
2	− 31	−107	−61	5	− 51	39	38	1	37
3	− 7	− 42	− 5	− 5	− 32	− 7	−13	6	42
4	18	6	32	−21	− 5	18	− 6	24	− 6
1973 *1*	279	146	77	107	− 38	43	32	11	90
2	191	61	63	34	− 36	154	163	− 9	−24
3	102	68	44	73	− 49	28	22	6	6
4	134	99	86	21	− 8	49	25	24	−14
1974 *1*	−249	−100	47	−16	−131	− 65	−73	8	−84
2	193	138	44	14	80	53	11	42	2
3	240	299	103	69	127	− 54	−28	−26	− 5
4	104	130	—	16	114	− 11	−34	23	−15
1975 *1*	− 79	51	−92	51	92	−100	−65	−35	−30
2									

Stock ratios

Seasonally adjusted

1970 prices: stocks level, end-Dec. 1969=100; retail sales and industrial production, 4th quarter 1969=100

	Total stocks to gross domestic product (expenditure based)	Manufactured stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1969 *3*	101	100	100	100	98	99
4	100	100	100	100	100	100
1970 *1*	102	101	101	101	102	97
2	101	102	103	102	102	97
3	101	102	103	102	102	97
4	101	102	102	102	102	98
1971 *1*	103	104	104	103	106	98
2	101	102	101	101	106	97
3	99	102	101	101	106	97
4	99	103	101	101	108	96
1972 *1*	100	103	102	103	106	95
2	98	98	96	99	100	94
3	98	97	95	98	98	93
4	96	94	93	94	95	91
1973 *1*	93	92	91	94	90	91
2	97	92	93	94	88	100
3	96	92	93	95	85	99
4	98	93	96	96	86	100
1974 *1*	98	97	102	100	85	100
2	96	95	99	97	85	103
3	95	97	101	98	89	97
4	97	102	106	103	97	95
1975 *1*	95	103	104	104	101	91
2						

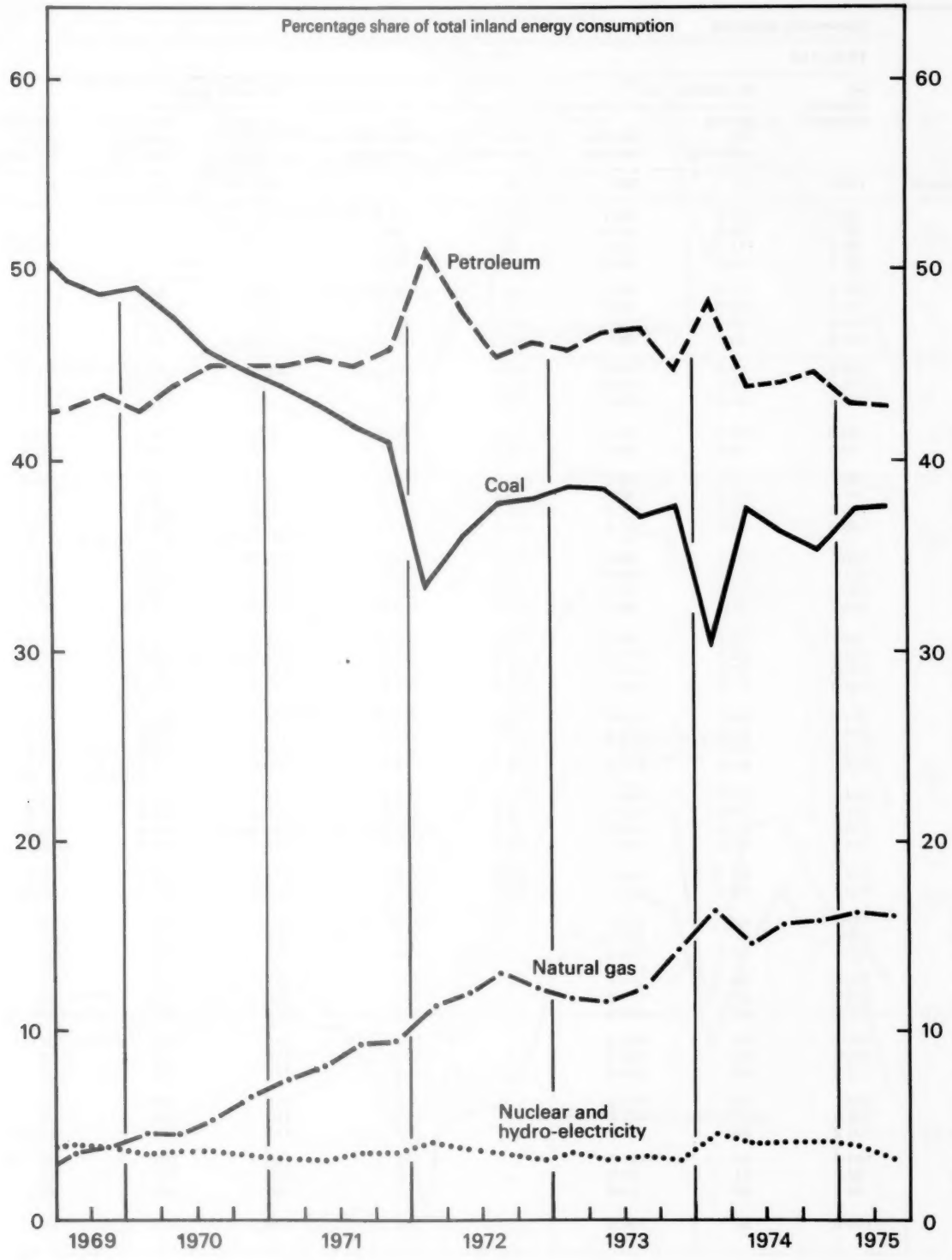

1970 prices, seasonally adjusted
Index of manufacturing production
Ratio of manufacturers' finished goods/production
Volume of retail sales
Ratio of distributors' stocks/retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP (e)
115
110
105
100
95
90
85
80
1969
1970
1971
1972
1973
1974
1975

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

	Primary fuel input						Public supply	
	Million tons of coal or coal equivalent						Thousand million kilowatt hours	Thousand million therms
	Total	Coal	Petroleum	Natural gas[1]	Nuclear electricity[1]	Hydro electricity[1]	Electricity available(GB)[2]	Gas available(GB)[3]
1964	285·9	187·2	93·2	0·4	3·2	1·9	150·4	3·39
1965	294·4	182·7	102·1	1·3	6·0	2·3	164·3	3·73
1966	297·5	174·2	111·9	1·2	7·8	2·4	171·9	4·04
1967	298·0	164·5	119·8	2·1	8·9	2·7	177·8	4·37
1968	306·5	163·9	125·6	4·7	10·1	2·2	193·6	4·88
1969	316·1	159·8	134·6	9·2	10·5	2·0	200·5	5·40
1970	329·3	154·2	145·5	17·6	9·4	2·6	211·6	6·30
1971	327·7	139·4	148·4	28·4	9·7	1·8	215·9	8·25
1972	330·7	120·3	157·6	40·3	10·5	2·0	224·1	10·82
1973	346·6	131·5	159·7	43·5	9·9	2·0	241·0	12·04
1974	331·4	115·7	149·6	52·1	11·9	2·1	235·5	13·53
1969 *3*	314·8	155·7	134·8	11·2	11·1	2·0	201·1	5·46
4	316·7	154·1	137·8	12·3	10·0	2·5	199·9	5·66
1970 *1*	330·8	162·6	140·9	15·6	9·5	2·2	211·8	5·88
2	325·4	155·0	143·3	15·1	9·6	2·4	213·0	6·17
3	329·7	150·9	148·6	17·8	9·0	3·4	211·8	6·43
4	330·9	148·4	149·1	21·7	9·3	2·4	209·7	6·73
1971 *1*	332·3	146·3	149·7	25·0	9·0	2·3	211·8	7·33
2	325·8	140·0	148·1	26·8	9·4	1·5	212·6	8·01
3	321·5	134·8	144·6	30·3	10·4	1·4	217·4	8·52
4	331·4	136·3	151·3	31·6	10·2	2·0	221·8	9·15
1972 *1*	310·5	103·6	158·1	35·4	11·4	2·0	213·4	9·98
2	331·2	119·6	159·1	39·7	10·3	2·5	224·4	10·70
3	334·7	126·4	152·7	43·7	9·7	2·2	226·3	11·18
4	346·6	131·6	160·6	42·5	10·6	1·3	232·2	11·42
1973 *1*	340·0	132·7	158·0	40·7	10·7	1·9	243·2	11·51
2	345·1	132·8	161·0	40·1	9·2	2·0	241·3	11·69
3	349·4	129·6	164·3	43·3	10·0	2·2	241·3	12·19
4	347·7	130·7	155·6	49·9	9·7	1·8	238·3	12·79
1974 *1*	302·0	91·6	146·6	49·7	11·3	2·8	216·3	13·20
2	334·7	125·2	146·5	49·4	12·3	1·3	237·1	13·49
3	346·0	125·0	152·2	54·6	12·2	2·0	244·2	13·65
4	342·8	120·8	153·0	54·6	12·0	2·4	244·3	13·79
1975 *1*	324·7	125·2	133·2	53·4	10·6	2·3	236·2	13·86
2	323·9†	121·4†	139·3†	52·2	9·8†	1·2	237·3	13·92
	Percentage change, quarter on corresponding quarter of previous year							
1973 *3*	*+ 4·4*	*+ 2·5*	*+ 7·6*	*− 0·9*	*+ 3·1*	*—*	*+ 6·6*	*+ 9·0*
4	*+ 0·3*	*− 0·7*	*− 3·1*	*+17·4*	*− 8·5*	*+38·5*	*+ 2·6*	*+12·0*
1974 *1*	*−12·2*	*−30·9*	*− 7·2*	*+22·1*	*+ 5·6*	*+47·4*	*−11·1*	*+14·7*
2	*− 3·0*	*− 5·7*	*− 9·0*	*+23·2*	*+33·7*	*−35·0*	*− 1·7*	*+15·4*
3	*− 1·0*	*− 3·6*	*− 7·4*	*+26·1*	*+22·0*	*− 9·1*	*+ 1·2*	*+12·0*
4	*− 1·4*	*− 7·6*	*− 1·7*	*+ 9·4*	*+23·7*	*+33·3*	*+ 2·5*	*+ 7·8*
1975 *1*	*+ 7·5*	*+36·7*	*− 9·1*	*+ 7·4*	*− 6·2*	*−17·9*	*+ 9·2*	*+ 5·0*
2	*− 3·2*	*− 3·0†*	*− 4·9†*	*+ 5·7*	*−20·3†*	*− 7·7*	*+ 0·1*	*+ 3·2*

[1] Natural gas, nuclear and hydro electricity are not temperature corrected.
[2] The inclusion of Northern Ireland would add about 2% to the total.
[3] The inclusion of Northern Ireland would add about 0·3% to the total.


Percentage share of total inland energy consumption
60
50
40
30
20
10
0
Petroleum
Coal
Natural gas
Nuclear and
hydro-electricity
1969
1970
1971
1972
1973
1974
1975

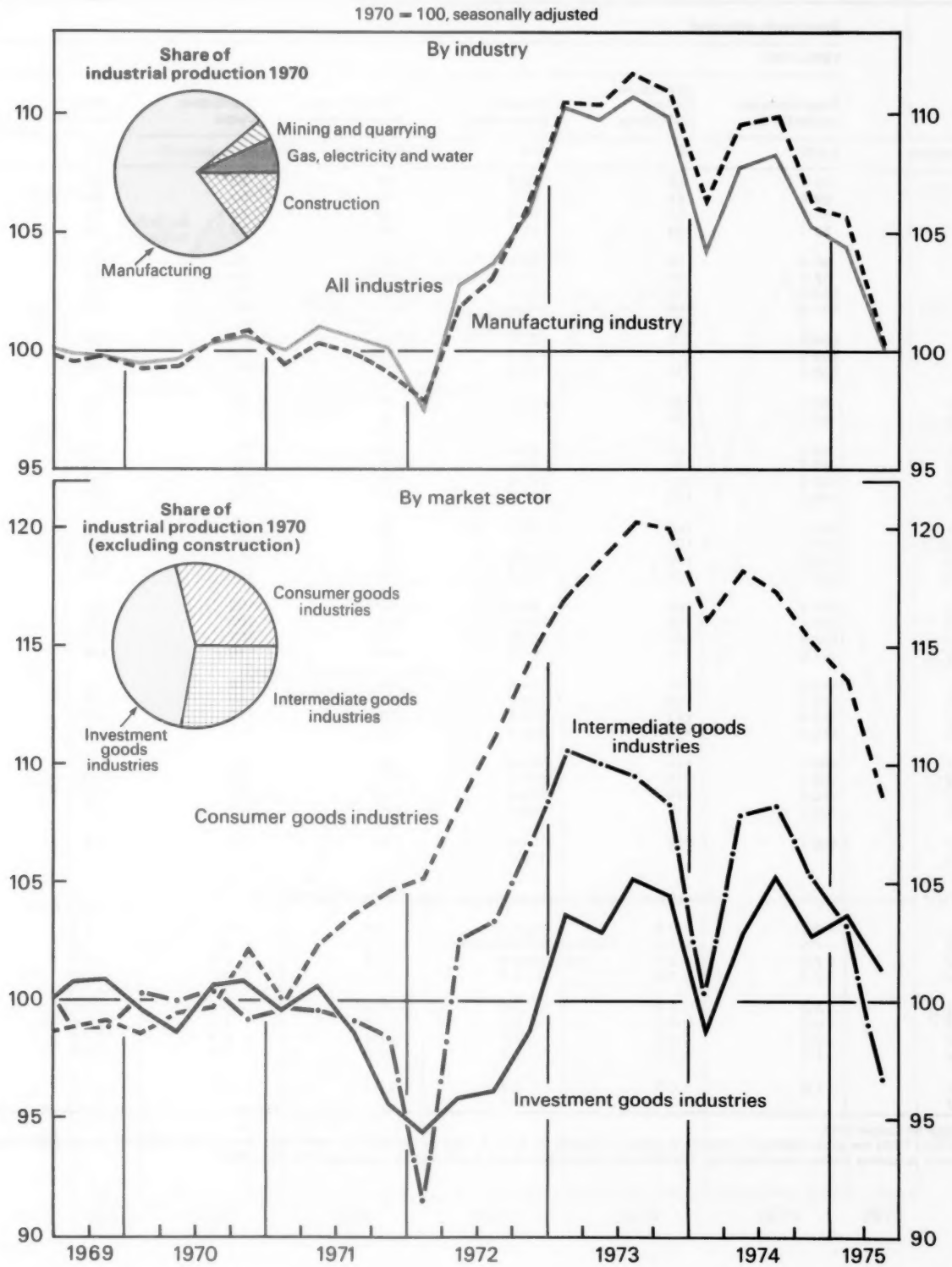
Index of industrial production

Seasonally adjusted

1970=100

	All industries covered §	By industry				By market sector[1]		
		Mining and quarrying	Manufacturing §	Construction	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1970 weights	*1,000*	*37*	*745*	*146*	*72*	*249*	*239*	*362*
1964	86·5	126·9	85·1	91·0	74·8	..	..	..
1965	89·1	122·3	87·6	95·1	79·9	..	..	..
1966	90·6	115·3	89·2	96·7	83·0	..	..	..
1967	91·7	114·5	89·8	100·4	86·0	..	..	..
1968	97·1	111·4	95·7	103·4	91·6	95·5	94·0	97·7
1969	99·7	104·9	99·4	102·0	96·2	98·3	99·5	100·0
1970	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1971	100·5	99·7	99·7	102·9	103·9	102·6	98·6	99·2
1972	102·6	84·0	102·3	104·5	111·2	109·9	96·3	101·0
1973	110·2	93·6	110·9	107·2	117·8	119·0	104·1†	109·6
1974	106·4	83·6	108·0	98·1	118·6	116·7	102·4	105·4
1969 *3*	99·9	105·8	99·6	102·0	95·3	98·9	100·8	98·9
4	99·8	98·9	99·8	101·3	97·6	99·2	100·9	98·9
1970 *1*	99·4	103·0	99·3	98·5	100·5	98·6	99·7	100·4
2	99·6	102·7	99·4	99·9	99·0	99·5	98·7	100·0
3	100·4	100·7	100·3	100·5	100·1	99·8	100·6	100·3
4	100·6	93·5	100·9	101·1	100·2	102·2	100·8	99·3
1971 *1*	100·1	102·7	99·5	102·8	99·7	99·9	99·6	99·7
2	101·1	103·2	100·3	103·3	102·7	102·3	100·6	99·6
3	100·6	101·6	99·9	101·1	105·4	103·6	98·8	99·2
4	100·2	91·2	99·1	104·4	107·8	104·7	95·6	98·5
1972 *1*	97·7†	45·4†	98·1†	105·6†	104·0†	105·3	94·4	91·5†
2	102·9	96·7	101·8	105·8	112·4	108·5†	95·9	102·6
3	103·8	96·0	103·0	104·1	114·9	111·2	96·1†	103·3
4	106·0	97·9	106·4	102·5	113·5	114·7	98·8	106·5
1973 *1*	110·4	99·2	110·5	109·9	115·5	117·1	103·7	110·6
2	109·8	96·3	110·4	105·7	118·7	118·6	102·9	110·0
3	110·8	94·7	111·7	107·4	117·7	120·2	105·2	109·5
4	109·9	84·4	111·0	105·8	119·4	120·0	104·5	108·3
1974 *1*	104·0	57·7	106·3	101·6	108·5	116·1	98·5	100·4
2	107·9	90·6	109·6	98·9	118·1	118·2	102·9	107·8
3	108·4	92·9	109·9	98·1	121·7	117·4	105·4	108·3
4	105·3	93·3	106·1	93·7	126·2	115·1	102·7	105·1
1975 *1*	104·4	92· 5	105·7	93·5	119·9	113·6	103·7	103·2
2	100·1	91·1	100·2	92·5	119·3	108·6	101·3	96·6
1974 *A*	107·6†	89	109·3	..	117†	117	102	109†
M	107·6	91	109·1†	..	118	119†	102	107
J	108·6	92	110·3	..	120	119	104	108
J	109·0	94	110·5	..	123	118	106	109
A	108·9	93	110·8	..	120	118	105†	109
S	107·3	92	108·5	..	122	116	105	106
O	106·2	93	106·6	..	134	115	103	108
N	105·8	93	106·9	..	126	116	103	106
D	103·8	93	104·9	..	118	114	102	102
1975 *J*	105·1	90†	107·2	..	114	116	104	103
F	105·0	92	106·6	..	118	115	104	104
M	103·2	95	103·3	..	127	111	103	102
A	101·5	94	101·7	..	122	109	103	99
M	99·5	91	99·5	..	118	108	100	96
J	99·5	89	99·6	..	118	108	101	95
J	100·0	90	100·3	..	115	109	101	95
A								
S								

[1] All industries other than construction.

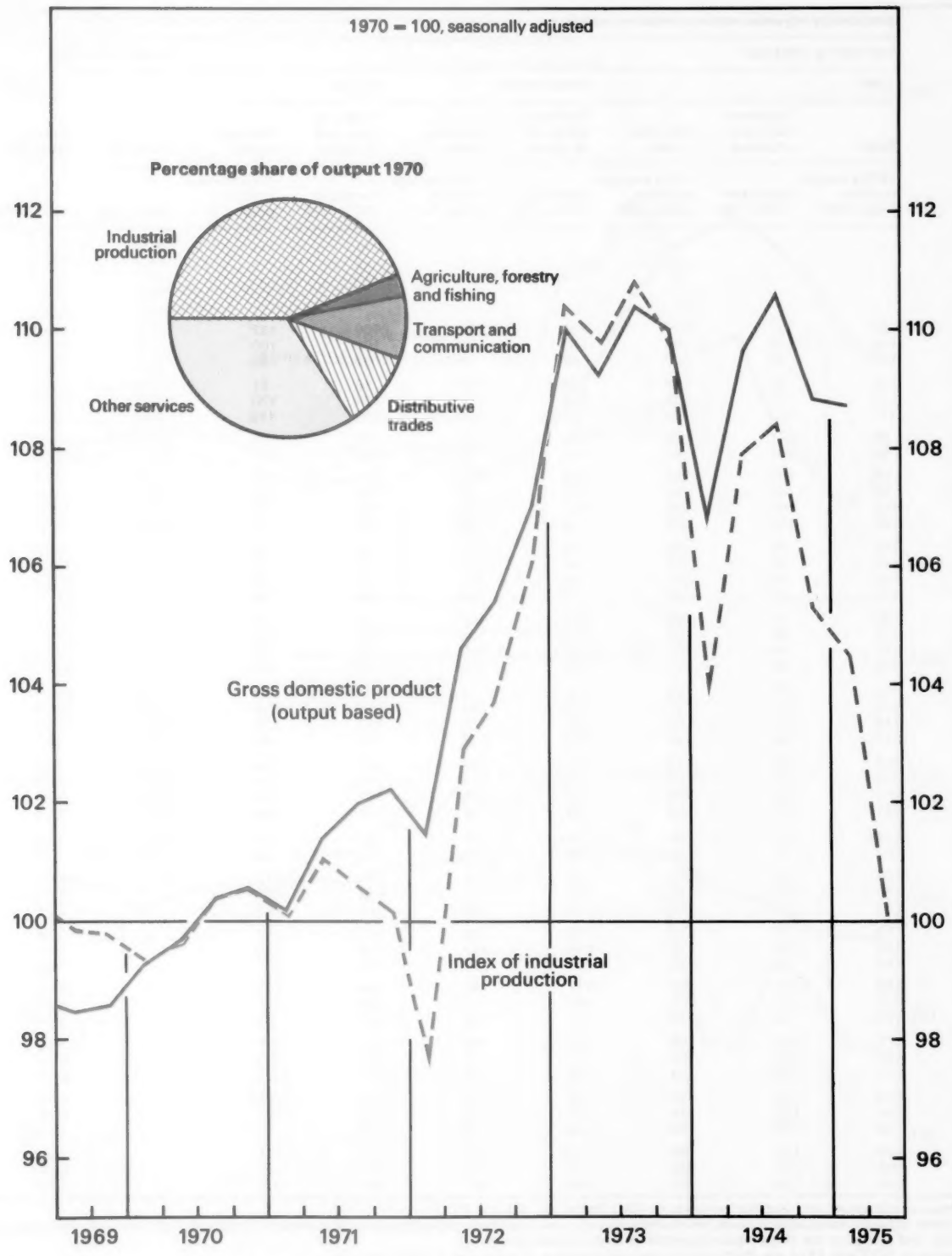

1970 = 100, seasonally adjusted
By industry
Share of industrial production 1970
Mining and quarrying
Gas, electricity and water
Construction
Manufacturing
All industries
Manufacturing industry
110
105
100
95
By market sector
Share of industrial production 1970 (excluding construction)
Consumer goods industries
Intermediate goods industries
Investment goods industries
Intermediate goods industries
Consumer goods industries
Investment goods industries
120
115
110
105
100
95
90
1969
1970
1971
1972
1973
1974
1975

Index numbers of output

	Seasonally adjusted					
	1970=100					
	Gross domestic product[1,2] §	Agriculture, forestry and fishing	Industrial production§	Transport and communication	Distributive trades	Other services
1970 weights	*1,000*	*30*	*439*	*84*	*104*	*343*
1964	87·1	89	86·5	84	90	88
1965	89·5	91	89·1	85	93	90
1966	91·1	91	90·6	88	94	92
1967	92·7	94	91·7	89	95	95
1968	96·6	94	97·1	92	98	97
1969	98·4	95	99·7	96	98	98
1970	100·0	100	100·0	100	100	100
1971	101·4	106	100·5	101	101	103
1972	104·6	108	102·6	106	106	107
1973	109·9	111	110·2	110	113	109
1974	108·9	116	106·4	111	111	110
1969 *3*	98·6	95	99·9	96	98	98
4	98·7	97	99·8	96	98	98
1970 *1*	99·3	97	99·4	99	100	99
2	99·7	99	99·6	101	100	100
3	100·4	102	100·4	100	100	100
4	100·6	103	100·6	100	100	101
1971 *1*	100·2	102	100·1	98	99	101
2	101·4	105	101·1	101	101	102
3	102·0	108	100·6	102	102	104
4	102·2	108	100·2	103	103	104
1972 *1*	101·4	109	97·7†	103	103	106
2	104·6	108	102·9	106	105	106
3	105·4	108	103·8	106	107	107
4	107·0	108	106·0	108	110	108
1973 *1*	110·0	110	110·4	108	114	109
2	109·2	110	109·8	110	110	109
3	110·4	112	110·8	110	113	109
4	110·0	113	109·9	111	113	110
1974 *1*	106·8	115	104·0	108	111	110
2	109·5	116	107·9	111	109	110
3	110·6	116	108·4	112	113	110
4	108·8	116	105·3	112	112	111
1975 *1*	108·7	116	104·4	113	112	111
2			100·1			
	Percentage change, quarter on corresponding quarter of previous year					
1973 *1*	*+8·5*	*+0·8*	*+13·2†*	*+5·7*	*+10·0*	*+3·3*
2	*+4·5*	*+1·2*	*+ 6·6*	*+4·0*	*+ 4·4*	*+2·0*
3	*+4·8*	*+3·1*	*+ 6·6*	*+3·8*	*+ 5·2*	*+2·5*
4	*+2·8*	*+3·8*	*+ 3·6*	*+2·3*	*+ 3·1*	*+1·9*
1974 *1*	*−3·0*	*+5·4*	*− 5·8*	*−0·3*	*− 2·5*	*+0·7*
2	*+0·2*	*+6·0*	*− 1·7*	*+1·3*	*− 1·4*	*+1·5*
3	*+0·1*	*+3·8*	*− 2·2*	*+1·4*	*− 0·3*	*+1·0*
4	*−1·0*	*+3·3*	*− 4·2*	*+0·8*	*− 0·8*	*+0·9*
1975 *1*	*+1·8*	*+0·7*	*+ 0·4*	*+4·7*	*+ 1·1*	*+1·1*
2			*− 7·2*			

[1] Based on output data.

[2] As from 1970 the gross domestic product is shown adjusted to allow for the use of delivery rather than production indicators to represent output in certain industries within manufacturing. The industrial production index is still shown unadjusted for this effect.


1970 = 100, seasonally adjusted
Percentage share of output 1970
Industrial production
Agriculture, forestry and fishing
Transport and communication
Other services
Distributive trades
Gross domestic product (output based)
Index of industrial production
112
110
108
106
104
102
100
98
96
1969
1970
1971
1972
1973
1974
1975

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

	Engineering industries[1]							Construction (GB)	
	Total			Home market		Export			
	Sales	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Orders on hand end of period	Net new orders	Output[3]§	Orders received[4]
	1970 average monthly sales=100	December 1970=100	1970 average monthly sales=100	December 1970=100	1970 average monthly sales=100	December 1970=100	1970 average monthly sales=100	1970=100	1970=100
1964	..	..	..	..	..	..	..	87·1	113·5
1965	..	..	..	..	..	..	..	92·0	107·4
1966	..	..	..	..	..	..	..	93·7	102·4
1967	..	..	..	..	..	..	..	100·1	118·1
1968	..	..	..	..	..	..	..	102·3	108·7
1969	97	101	100	102	99	100	102	101·9	102·6
1970	100	100	99	100	99	100	100	100·0	100·0
1971	101	93	97	95	98	89	93	102·7	107·3
1972	101	99	103	103	108	90	91	104·5	113·6
1973	113	133	134	134	136	130	130	107·8†	108·9
1974	111	129	109	124	105	138	118	98·7	81·0
1969 *3*	98	101	99	104	98	97	98	102·3	101·1
4	98	101	98	102	96	100	105	101·3	109·7
1970 *1*	99	103	103	103	101	104	107	97·6	101·1
2	99	103	99	102	98	104	101	99·7	103·4
3	102	102	98	101	99	103	97	101·8	100·5
4	100	100	97	100	98	100	95	100·9	95·1
1971 *1*	100	98	95	98	95	99	95	101·7	102·6
2	101	94	92	94	92	94	91	102·7	107·5
3	103	94	100	94	101	92	98	102·2	106·9
4	100	93	99	95	104	89	88	104·4	112·2
1972 *1*	99	97	100	100	106	91	85	105·5	111·0
2	101	96	100	100	104	90	92	105·9	118·4
3	102	96	101	100	108	89	84	104·1	105·0
4	104	99	111	103	114	90	103	102·6	120·1
1973 *1*	113	106	129	111	134	97	116	110·3†	118·3
2	111	114	131	119	134	105	124	106·9	108·6
3	114	125	142	128	143	117	139	107·6	112·6
4	113	133	135	134	132	130	143	106·6	96·0
1974 *1*	109	136	117	133	109	143	139	102·2	75·2
2	111	139	119	134	114	150	132	100·3	74·6
3	115	135	104	131	106	143	99	98·5	88·7
4	111	129	96	124	93	138	104	94·0	85·4
1975 *1*	114†	119	89	114	88	129†	92†	93·1	74·9
2	107	114	96	109	93	125	104	92·9[5]	73·5[5]
1974 *J*	104	136	126	136	119	136	143	..	75·7
F	110	136	115	135	107	139	133	..	77·3
M	112	136	111	133	100	143	140	..	72·7
A	110	138	120	133	110	147	146	..	73·4
M	108	139	115	134	111	149	125	..	79·5
J	114	139	122	134	120	150	127	..	70·9
J	116	137	97	131	94	149	106	..	95·8
A	115	136	105	130	107	146	101	..	92·0
S	113	135	110	131	118	143	88	..	78·3
O	113	133	102	129	99	142	107	..	79·2
N	111	131	94	127	92	140	100	..	82·4
D	111	129	93	124	88	138	106	..	94·7
1975 *J*	113	125	87†	120	86	135	89†	..	67·9
F	116	122	93	117	93	132†	95	..	83·6
M	112	119	86	114	83†	129	91	..	73·3
A	110	117	98	112†	94	128	106	..	79·5[4]
M	106	116	100	111	99	126	103	..	64·1[4]
J	106	114	92	109	87	125	103	..	76·8[5]

[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] This index is based on an output series which includes repair and maintenance, estimates of unrecorded output by small firms and self-employed workers, and output by the direct labour departments of the public sector.
[3] Revisions to 1973 and 1974 are attributable to the late reporting of some gas and oil contracts.
[4] New orders from July 1974 include orders received by firms, mostly small, which have now been added to the statistical register. An allowance has been made in the index calculation for this small element of discontinuity. [5] Provisional.

Engineering industries
Volume indices, seasonally adjusted
160
140
120
100
80
Net new orders
(1970 average monthly sales = 100)
Orders on hand
(Dec 1970 = 100)
Construction industry (GB)
Volume indices, seasonally adjusted, 1970 = 100
140
120
100
80
60
Contractors orders
Output
1969
1970
1971
1972
1973
1974
1975

Motor vehicle production

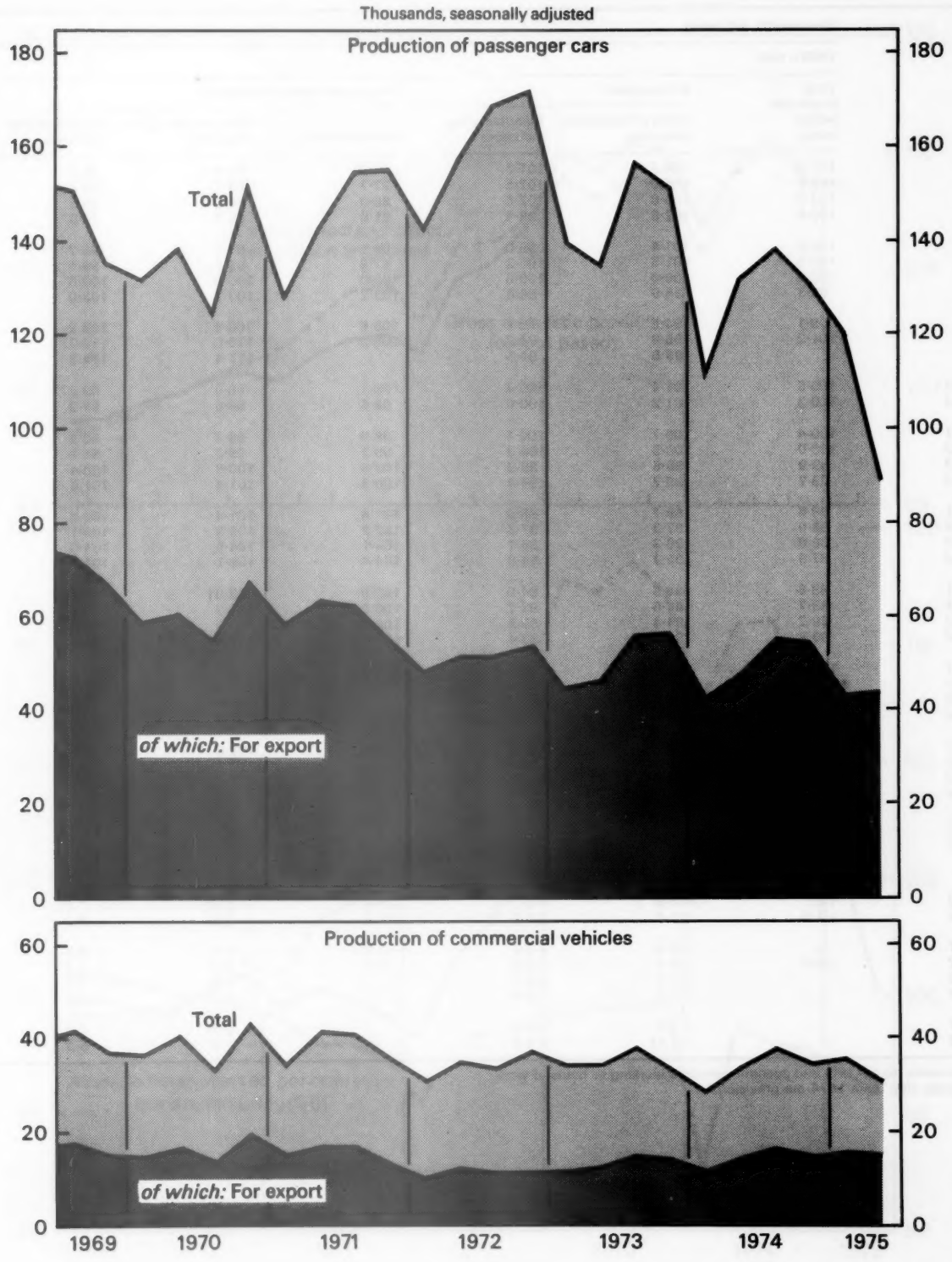
Seasonally adjusted[1]

Thousands

	Passenger cars§			Commercial vehicles§		
	Total	*Percentage change on year earlier*[2]	*of which:* For export	Total	*Percentage change on year earlier*[2]	*of which:* For export
1964	155·6	*+16·2*	58·8	38·7	*+15·1*	15·0
1965	143·5	*− 7·8*	54·4	37·9	*− 2·0*	14·5
1966	133·6	*− 6·9*	52·1	36·6	*− 3·6*	14·8
1967	129·3	*− 3·2*	47·0	32·1	*−12·2*	11·6
1968	151·3	*+17·1*	66·9	34·1	*+ 6·3*	12·5
1969	143·1	*− 7·2*	68·7	38·8	*+11·7*	16·1
1970	136·7	*− 2·6*	60·2	38·1	*+ 0·1*	15·8
1971	145·2	*+ 6·2*	59·5	38·0	*− 0·3*	15·7
1972	160·1	*+10·3*	51·1	34·0	*−10·6*	11·3
1973	145·6	*− 9·1*	50·4	34·7	*+ 2·1*	13·3
1974	127·8	*−12·2*	49·7	33·5	*− 3·4*	14·2
1969 *3*	150·4	*− 5·0*	72·5	41·5	*+17·2*	17·5
4	135·4	*−14·7*	66·4	36·8	*+ 0·5*	15·2
1970 *1*	132·1	*− 1·6*	58·7	36·3	*− 2·3*	14·6
2	138·7	*− 8·9*	60·2	40·2	*+ 1·0*	16·5
3	123·9	*−17·6*	54·9	33·1	*−20·2*	13·8
4	152·2	*+12·4*	67·2	42·9	*+16·6*	18·5
1971 *1*	127·5	*− 3·4*	58·4	34·3	*− 5·4*	15·1
2	143·5	*+ 3·4*	63·0	41·3	*+ 2·8*	17·0
3	154·5	*+24·7*	62·1	40·6	*+22·9*	17·0
4	155·1	*+ 1·9*	54·7	35·8	*−16·7*	13·6
1972 *1*	142·3	*+11·6*	48·1	30·5	*−11·2*	10·2
2	157·6	*+ 9·8*	51·1	34·7	*−15·9*	12·2
3	168·7	*+ 9·2*	51·7	33·8	*−16·9*	11·2
4	171·9	*+10·8*	53·5	37·0	*+ 3·4*	11·6
1973 *1*	139·7	*− 1·8*	44·5	34·0	*+11·3*	11·7
2	134·7	*−14·5*	46·2	34·1	*− 1·9*	12·2
3	156·7	*− 7·1*	55·0	37·7	*+11·7*	14·8
4	151·3	*−11·9*	56·0	33·1	*−10·6*	14·2
1974 *1*	110·8	*−20·7*	42·4	28·3	*−16·7*	11·7
2	132·1	*− 1·9*	47·5	33·8	*− 0·8*	14·2
3	138·1	*−11·9*	54·7	37·5	*− 0·7*	16·2
4	130·4	*−13·9*	54·1	34·6	*+ 4·6*	14·7
1975 *1*	119·0	*+ 7·4*	42·9	35·7	*+26·0*	15·5
2	89·4	*−32·3*	43·5	30·9	*− 8·7*	15·0
1974 *A*	111·2	*−11·4*	32·0	33·7	*+ 6·6*	13·8
M	148·7	*+10·6*	55·5	35·8	*+ 9·5*	14·5
J	136·5	*− 5·4*	55·1	31·9	*−15·9*	14·2
J	163·3	*− 6·9*	65·8	38·7	*− 3·7*	16·7
A	149·5	*− 7·4*	61·3	38·9	*+ 7·7*	16·8
S	101·4	*−23·9*	36·9	34·9	*− 5·5*	15·1
O	120·8	*−20·1*	48·7	32·8	*−10·4*	14·0
N	141·9	*− 6·8*	60·1	35·4	*+31·1*	15·3
D	128·3	*−14·7*	53·5	35·6	*− 0·1*	14·9
1975 *J*	131·2	*+31·1*	52·9	39·1	*+42·3*	17·4
F	120·8	*+13·6*	36·1	36·0	*+32·2*	15·8
M	105·1	*−16·6*	39·7	31·8	*+ 5·5*	13·4
A	106·8	*− 4·0*	46·3	32·6	*− 3·3*	15·2
M	70·2	*−52·8*	35·6	31·8	*−11·4*	15·3
J	91·2	*−33·2*	48·6	28·2	*−11·5*	14·6
J	122·5	*−25·0*	56·3	32·4	*−16·2*	16·4
A						
S						

[1] Monthly averages or standardised calendar months.

[2] To take account of the occurrence of 53-week years in 1964 and 1969, the average weekly number of vehicles produced in each year has been used to calculate the percentage changes shown for the annual figures.


Thousands, seasonally adjusted
Production of passenger cars
Total
of which: For export
180
160
140
120
100
80
60
40
20
0
Production of commercial vehicles
Total
of which: For export
60
40
20
0
1969
1970
1971
1972
1973
1974
1975

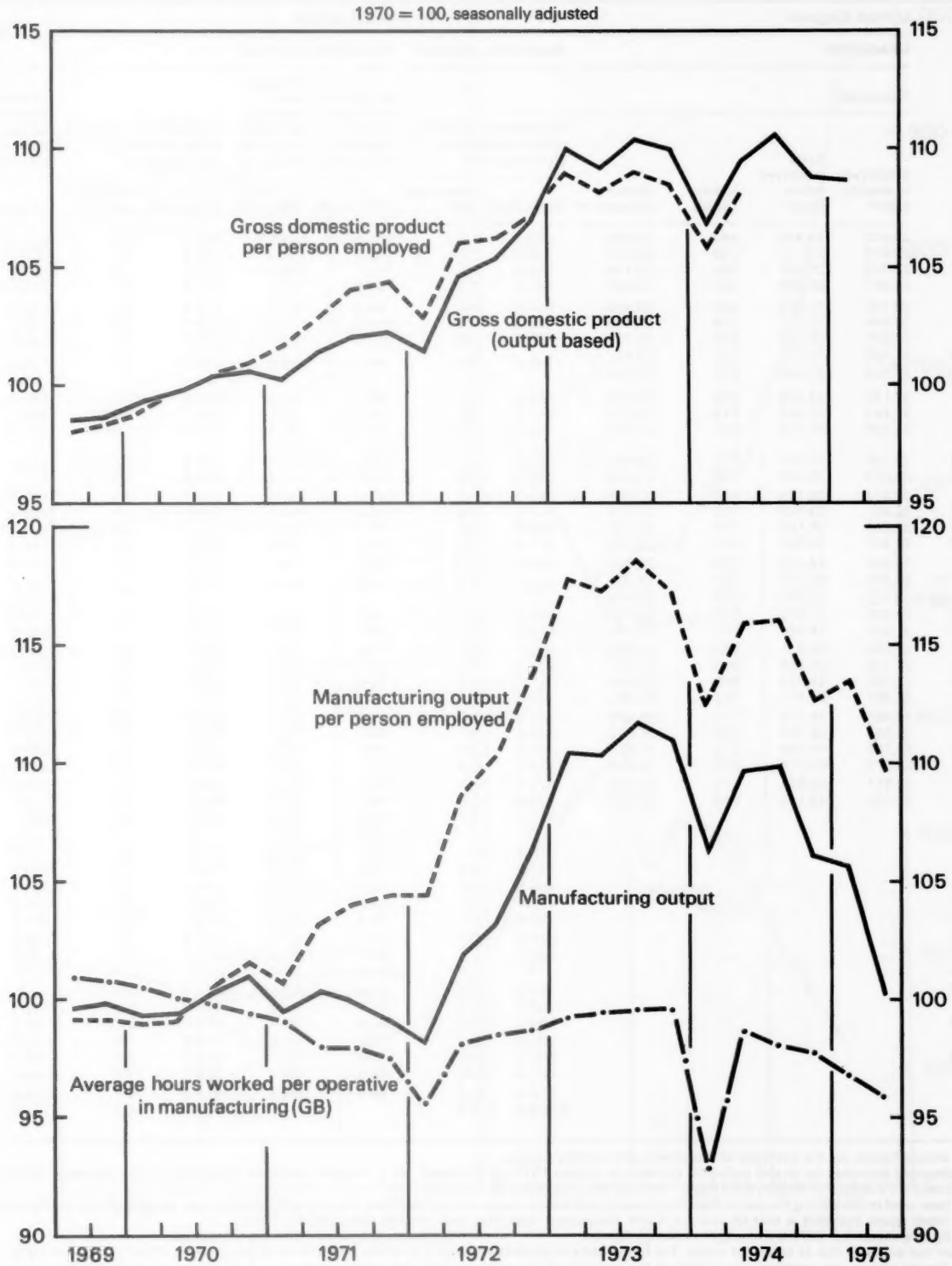
Output per person employed

Seasonally adjusted

1970=100

	Total employed labour force	Employment		Output per person employed[1]		
		Index of production industries	Manufacturing industries	Whole economy	Index of production industries	Manufacturing industries
1964	101·0	104·7	101·3	86·2	82·6	84·0
1965	102·0	105·9	102·6	87·7	84·1	85·4†
1966	102·3	105·6	102·6	89·0	85·8	86·9
1967	100·9	102·8	99·8	91·9	89·2	90·0
1968	100·5	101·4	99·0	96·1	95·8	96·7
1969	100·5	101·5	100·3	97·9	98·2	99·1
1970	100·0	100·0	100·0	100·0	100·0	100·0
1971	98·3	96·9	96·8	103·2	103·7	103·0
1972	99·1	94·6	93·7	105·5	108·5	109·2
1973	101·2	95·8	94·2	108·6	115·0	117·7
1974		95·5	94·5		111·4	114·3
1969 *3*	100·5	101·4	100·4	98·1	98·5	99·2
4	100·3	101·2	100·6	98·4	98·6	99·2
1970 *1*	100·4	100·7	100·4	98·9	98·7	98·9
2	100·0	100·3	100·3	99·7	99·3	99·1
3	99·9	99·8	99·9	100·5	100·6	100·4
4	99·7	99·2	99·4	100·9	101·4	101·5
1971 *1*	98·6	98·7	98·9	101·6	101·4	100·6
2	98·6	97·3	97·3	102·8	103·9	103·1
3	98·0	96·3	96·1	104·1	104·5	104·0
4	97·9	95·3	94·9	104·4	105·1	104·4
1972 *1*	98·6	94·6	94·0	102·8	103·3†	104·4†
2	98·7	94·5	93·7	106·0	108·9	108·6
3	99·2	94·4	93·5	106·2	110·0	110·2
4	99·8	94·7	93·4	107·2	111·9	113·9
1973 *1*	100·9	95·4	93·8	109·0	115·7	117·8
2	101·0	95·7	94·1	108·1	114·7	117·3
3	101·3	95·9	94·2	109·0	115·5	118·6
4	101·4	96·0	94·6	108·5	114·5	117·3
1974 *1*	100·9	95·8	94·5	105·8	108·6	112·5
2	101·3	95·6	94·6	108·1	112·9	115·9
3		95·6[2]	94·7[2]		113·4[2]	116·1[2]
4		95·0	94·2		110·8	112·6
1975 *1*		94·0	93·1		111·1	113·5
2		92·6†	91·3		108·1	109·7
		Percentage change, quarter on corresponding quarter of previous year				
1973 *3*	*+2·1*	*+1·6*	*+0·7*	*+2·6*	*+ 5·0†*	*+ 7·6†*
4	*+1·6*	*+1·4*	*+1·3*	*+1·2*	*+ 2·3*	*+ 3·0*
1974 *1*	—	*+0·4*	*+0·7*	*−2·9*	*− 6·1*	*− 4·5*
2	*+0·4*	*−0·1*	*+0·5*	*−0·1*	*− 1·6*	*− 1·2*
3		*−0·3*	*+0·5*		*− 1·8*	*− 2·1*
4		*−1·0*	*−0·4*		*− 3·2*	*− 4·0*
1975 *1*		*−1·9*	*−1·5*		*+ 2·3*	*+ 0·9*
2		*−3·1†*	*−3·5*		*− 4·3*	*− 5·3*

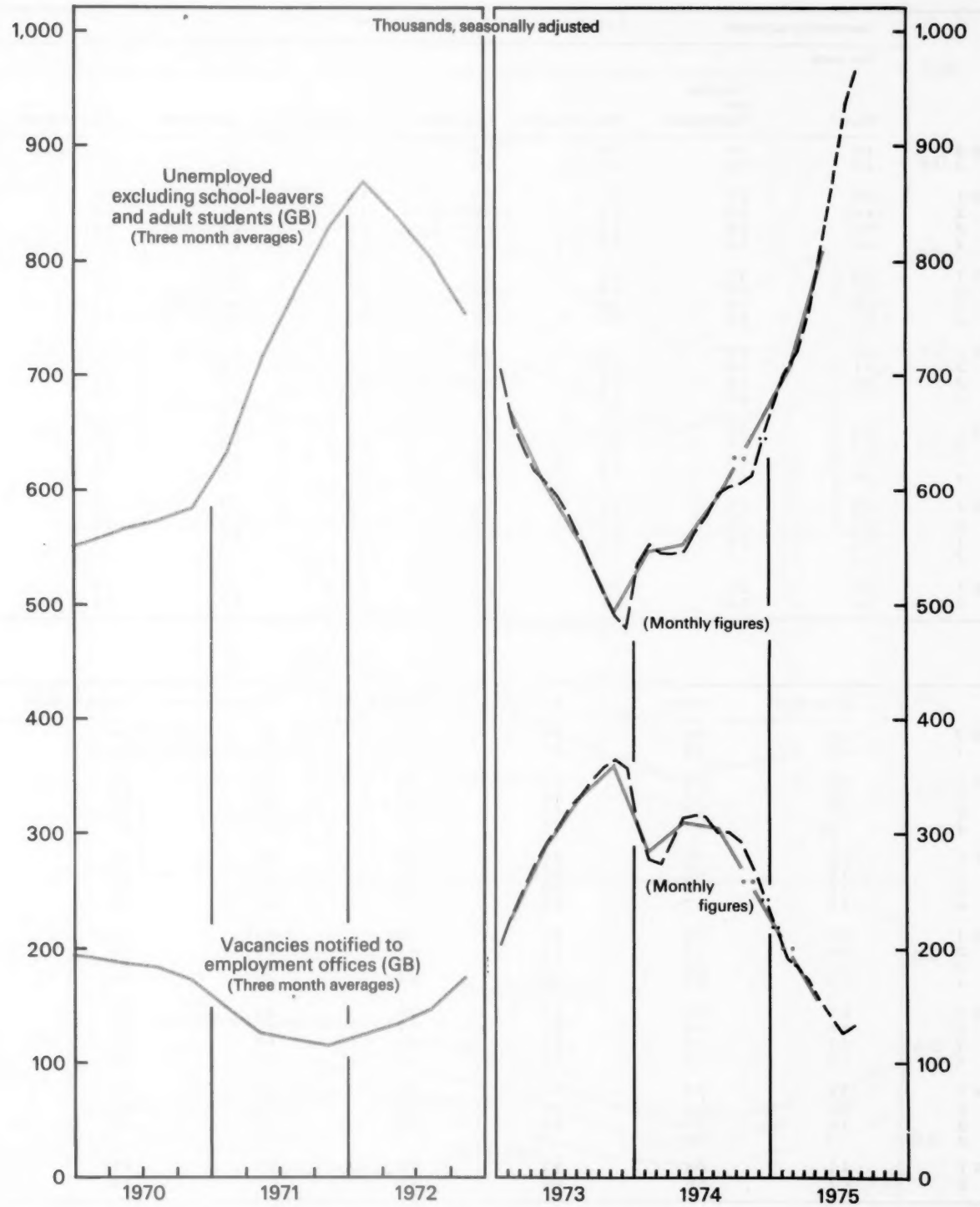
[1] The ratios do not take into account part-time working or hours of work.
[2] Figures after June 1974 are provisional.


1970 = 100, seasonally adjusted
115
110
105
100
95
Gross domestic product per person employed
Gross domestic product (output based)
120
115
110
105
100
95
90
Manufacturing output per person employed
Manufacturing output
Average hours worked per operative in manufacturing (GB)
1969
1970
1971
1972
1973
1974
1975

National employment and unemployment

	United Kingdom						Great Britain				
	Unadjusted				Seasonally adjusted		Seasonally adjusted				
	Thousands										
	Employees in employment[2]	Total employed labour force[2]	Unemployed	Working population[2]	Unemployed excluding school-leavers and adult students§ Thousands	Unemployed excluding school-leavers and adult students§ Percentage rate[3]	Employees employed in manufacturing industries[2] 1970=100	Average hours worked per operative in manufacturing[1] 1970=100	Unemployed excluding school-leavers and adult students§ Thousands	Unemployed excluding school-leavers and adult students§ Percentage rate[3]	Vacancies notified to employment offices§ Thousands
1964	23,357	25,498	349	25,846	393·7	1·7	101·5	103·8	361·7	1·6	220·8
1965	23,622	25,747	299	26,045	338·2	1·4	102·8	102·5	308·4	1·3	265·1
1966	23,783	25,887	281	26,168	353·3	1·5	103·1	100·8	323·4	1·4	254·8
1967	23,305	25,498	503	26,001	547·2	2·3	99·9	100·1	509·8	2·2	174·0
1968	23,125	25,320	542	25,862	574·4	2·4	99·0	100·9	538·4	2·3	188·0
1969	23,085	25,341	518	25,859	566·3	2·4	100·3	101·0	530·7	2·3	199·6
1970	22,891	25,158	555	25,712	602·0	2·6	100·2	100·0	567·8	2·5	185·8
1971 (a)	22,509	24,787	724	25,511	775·8	3·4	96·8	98·0	737·0	3·3	129·0
(b)	22,122	24,400	724	25,124							
1972	22,120	24,428	806	25,234	855·0	3·7	93·4	97·6	816·0	3·6	145·3
1973	22,662	25,002	576	25,578	611·0	2·6	94·1	99·5	580·7	2·6	303·9
1974	22,790	25,112	543	25,655	600·1[4]	2·6[4]	94·5[5]	96·8	571·7[4]	2·5[4]	297·7[4]
1969 *3*	23,106	25,364	577	25,941	566·7	2·4	100·3	100·9	531·8	2·3	199·2
4	23,007	25,269	602	25,870	580·2	2·5	100·6	100·8	545·5	2·4	197·2
1970 *1*	22,914	25,179	637	25,816	586·9	2·5	100·5	100·5	553·1	2·4	194·2
2	22,891	25,158	555	25,712	597·8	2·5	100·2	100·2	564·4	2·5	189·1
3	22,895	25,165	616	25,782	606·8	2·6	99·7	99·8	572·2	2·5	185·1
4	22,807	25,082	641	25,723	617·5	2·6	99·2	99·4	582·7	2·5	174·3
1971 *1*	22,446	24,723	738	25,460	668·5	2·9	98·6	99·1	632·1	2·8	149·9
2(a)	22,509	24,787	724	25,511	750·3	3·3	96·8	97·9	712·5	3·2	127·2
(b)	22,122	24,400	724	25,124							
3	21,985	24,271	855	25,126	813·1	3·6	95·7	97·9	773·2	3·5	120·4
4	21,948	24,244	911	25,155	871·6	3·8	94·4	97·5	830·2	3·7	118·6
1972 *1*	22,030	24,331	967	25,298	910·1	4·0	93·6	95·4	869·1	3·9	124·2
2	22,120	24,428	806	25,234	879·0	3·8	93·4	98·1	838·1	3·7	133·4
3	22,253	24,574	891	25,465	841·0	3·7	93·3	98·5	802·6	3·6	147·1
4	22,387	24,717	782	25,499	789·4	3·4	93·2	98·7	753·6	3·4	176·2
1973 *1*	22,583	24,919	717	25,636	702·5	3·0	93·9	99·3	669·0	2·9	229·4
2	22,662	25,002	576	25,578	636·2	2·7	94·1	99·4	604·7	2·7	290·4
3	22,752	25,089	578	25,667	584·4	2·5	94·0	99·5	555·0	2·4	334·0
4	22,773	25,106	514	25,620	520·7	2·2	94·7	99·6	493·8	2·2	361·4
1974 *1*	22,617	24,944	618	25,562	572·9	2·5	94·2	92·8	545·5	2·4	286·3
2	22,790	25,112	543	25,655	579·4	2·5	94·5	98·7	552·2	2·4	310·7
3					621·2	2·7	94·4[5]	98·0	592·2	2·6	306·1
4					..[6]	..[6]	93·6	97·7	..[6]	..[6]	..[6]
1975 *1*					733·3	3·1	92·4	96·8†	701·3	3·1	..[6]
2					849·7	3·6	90·5	95·9	813·4	3·6	156·7
1974 *J*	..	..	..	..	605·5	2·6	94·5[5]	98·5	576·8	2·5	316·5
A	..	..	..	..	625·4	2·7	94·6	97·7	596·5	2·6	300·8
S	..	..	..	..	632·8	2·7	94·4	98·0	603·2	2·6	301·1
O	..	..	..	..	636·8	2·7	94·3	97·7	606·5	2·7	293·5
N	..	..	..	..	643·5	2·8	94·1	97·6	612·8	2·7	272·5
D	..	..	..	..	..[6]	..[6]	93·6	97·7	..[6]	..[6]	..[6]
1975 *J*[7]	..	..	..	..	709·0	3·0	93·4	97·4†	678·0	3·0	..[6]
F	..	..	..	..	736·7	3·2	92·9	96·6	704·5	3·1	192·4
M	..	..	..	..	754·1	3·2	92·4	96·4	721·5	3·2	186·1
A	..	..	..	..	794·3	3·4	91·8	96·3	759·9	3·3	173·3
M	..	..	..	..	853·5	3·7	91·1	95·7	816·7	3·6	155·6
J	..	..	..	..	901·4	3·9	90·5	95·6	863·7	3·8	141·3
J					976·5	4·2	89·8†	96·2	937·8	4·1	128·8
A					1,008·8	4·3			967·1	4·2	134·0
S											

[1] The annual figures are the averages of the *unadjusted* monthly figures.
[2] Employment estimates up to and including the second quarter 1971(a) are based on a national insurance card count basis. Estimates thereafter are based on a census of employment basis. Annual estimates relate to mid-year.
[3] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed): The latest figure available is that for mid-1974 and percentage rates have been revised from January 1974.
[4] The figures shown for 1974 are averages of eleven months.
[5] Estimates after June 1974 are provisional.
[6] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.
[7] The figures shown for unemployment relate to the *estimate* of *20 January 1975*. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.


Thousands, seasonally adjusted
1,000
900
800
700
600
500
400
300
200
100
0
Unemployed excluding school-leavers and adult students (GB)
(Three month averages)
Vacancies notified to employment offices (GB)
(Three month averages)
(Monthly figures)
(Monthly figures)
1970
1971
1972
1973
1974
1975

Regional unemployment rates[1]

Seasonally adjusted

Per cent

	North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1969 *3*	4·6	2·5	1·9	1·9	1·5	2·7	1·7
4	4·6	2·6	2·0	1·9	1·6	2·7	1·7
1970 *1*	4·6	2·7	2·1	2·0	1·6	2·7	1·8
2	4·6†	2·8	2·2	2·0	1·6	2·8	1·8
3	4·4	2·8	2·2	2·1	1·6	2·8	1·9†
4	4·4	2·8	2·3	2·3†	1·6	2·8	2·0
1971 *1*	4·8	3·1	2·5	2·7	1·8	3·0	2·3
2	5·3	3·6	2·8†	3·1	2·0	3·2	2·7
3	5·8	3·9	3·0	3·2	2·1	3·4	3·1
4	6·1	4·2	3·1	3·3	2·2	3·6	3·5
1972 *1*	6·4	4·4	3·2	3·3	2·3	3·7	3·8
2	6·1	4·2	3·1	2·9	2·2	3·5†	3·7
3	6·0	4·0	2·9	2·7	2·1	3·2	3·4
4	5·7	3·7	2·7	2·5	1·9†	3·0	3·1
1973 *1*	5·0	3·2	2·3	2·1	1·7	2·6	2·6
2	4·7	2·9	2·1	1·9	1·5	2·5	2·2
3	4·3	2·6	1·9	1·8	1·4	2·3	1·9
4	3·9	2·3	1·8	1·6	1·3	2·1	1·7
1974 *1*	4·2	2·6	2·0	1·6	1·5	2·3	2·0
2	4·3	2·5	2·1	1·8	1·5	2·5	2·0
3	4·6	2·6	2·2	2·0	1·6	2·8	2·1
4	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]	..[3]
1975 *1*	4·9	3·0	2·7	2·7	2·0	3·7	2·7
2	5·4	3·4†	3·2	3·2	2·4	4·3	3·4

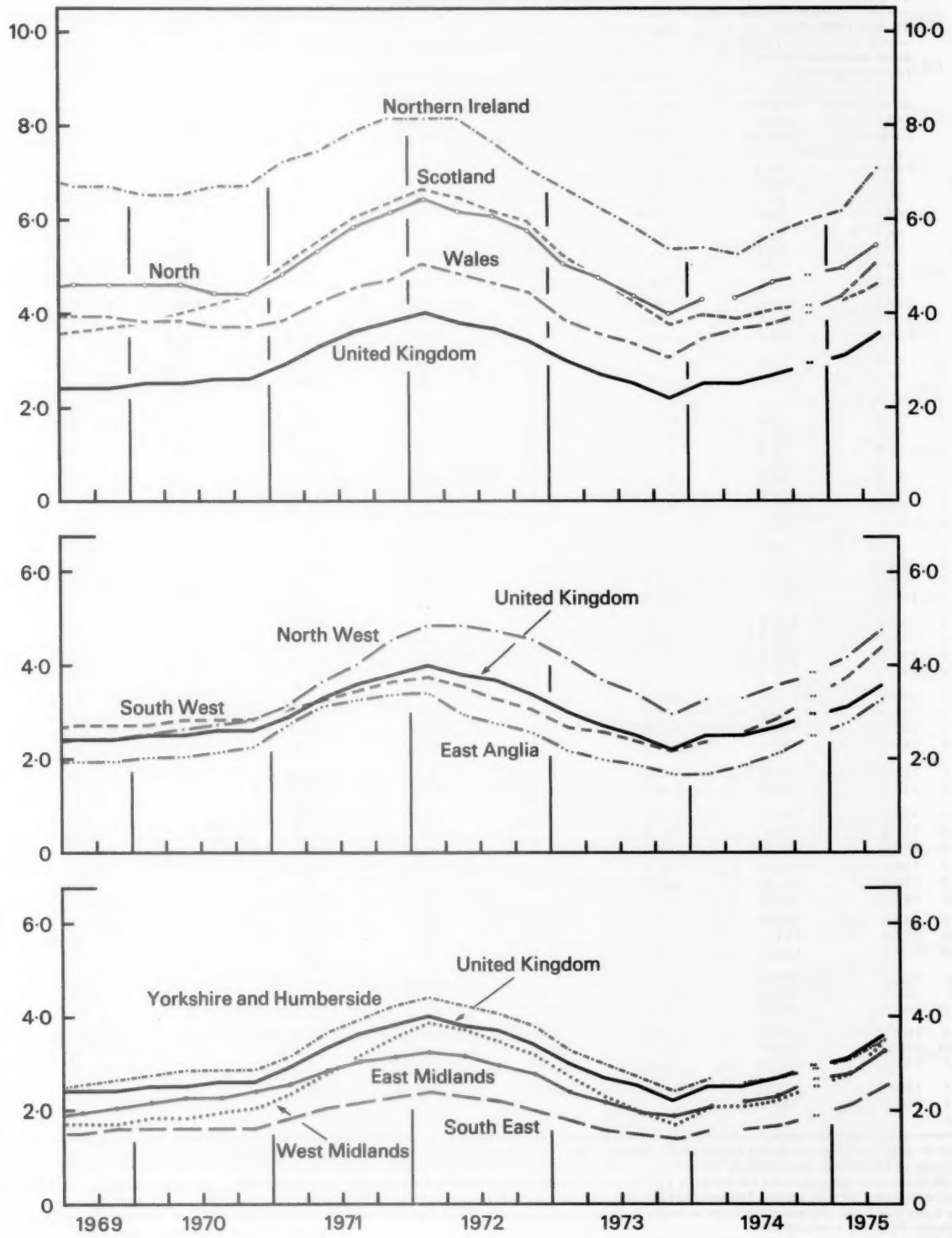
	North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1969 *3*	2·4	3·9	3·6	2·3	6·7	2·4
4	2·4	3·9	3·7	2·4	6·7	2·4
1970 *1*	2·5	3·8	3·8	2·4	6·5	2·5
2	2·6	3·8	4·0	2·5	6·5	2·5
3	2·7	3·7	4·2	2·5	6·7	2·6
4	2·8†	3·7	4·4	2·5	6·7	2·6
1971 *1*	3·1	3·8	5·0	2·8	7·2	2·9
2	3·6	4·2	5·6†	3·2	7·4	3·3
3	4·0	4·5	6·0	3·5	7·8	3·6
4	4·5	4·7†	6·3	3·7	8·1	3·8
1972 *1*	4·8	5·0	6·6	3·9	8·1†	4·0
2	4·8	4·8	6·4	3·7	8·1	3·8
3	4·7	4·6	6·1	3·6	7·6	3·7
4	4·5	4·4	5·9	3·4	7·0	3·4
1973 *1*	4·1	3·8	5·2	2·9	6·6	3·0
2	3·6	3·5	4·7	2·7	6·2	2·7
3	3·3	3·3	4·2	2·4	5·8	2·5
4	2·9	3·0	3·7	2·2	5·3	2·2
1974 *1*	3·2	3·4	3·9	2·4	5·3	2·5
2	3·2	3·6	3·8	2·4	5·2	2·5
3	3·5	3·7	4·0	2·6	5·6	2·7
4	..[3]	..[3]	..[3]	..[3]	5·9	..[3]
1975 *1*	4·1	4·3	4·2	3·1	6·1	3·1†
2	4·7	5·0	4·6	3·6	7·0	3·6

[1] Numbers unemployed excluding school-leavers and adult students expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed). The latest figure available is that for mid-1974 and percentage rates have been revised from January 1974.

[2] The boundaries of the standard regions were revised in April 1974.

[3] Figure not available due to industrial action. For further details see note on page 129 of the *Department of Employment Gazette*, February 1975.

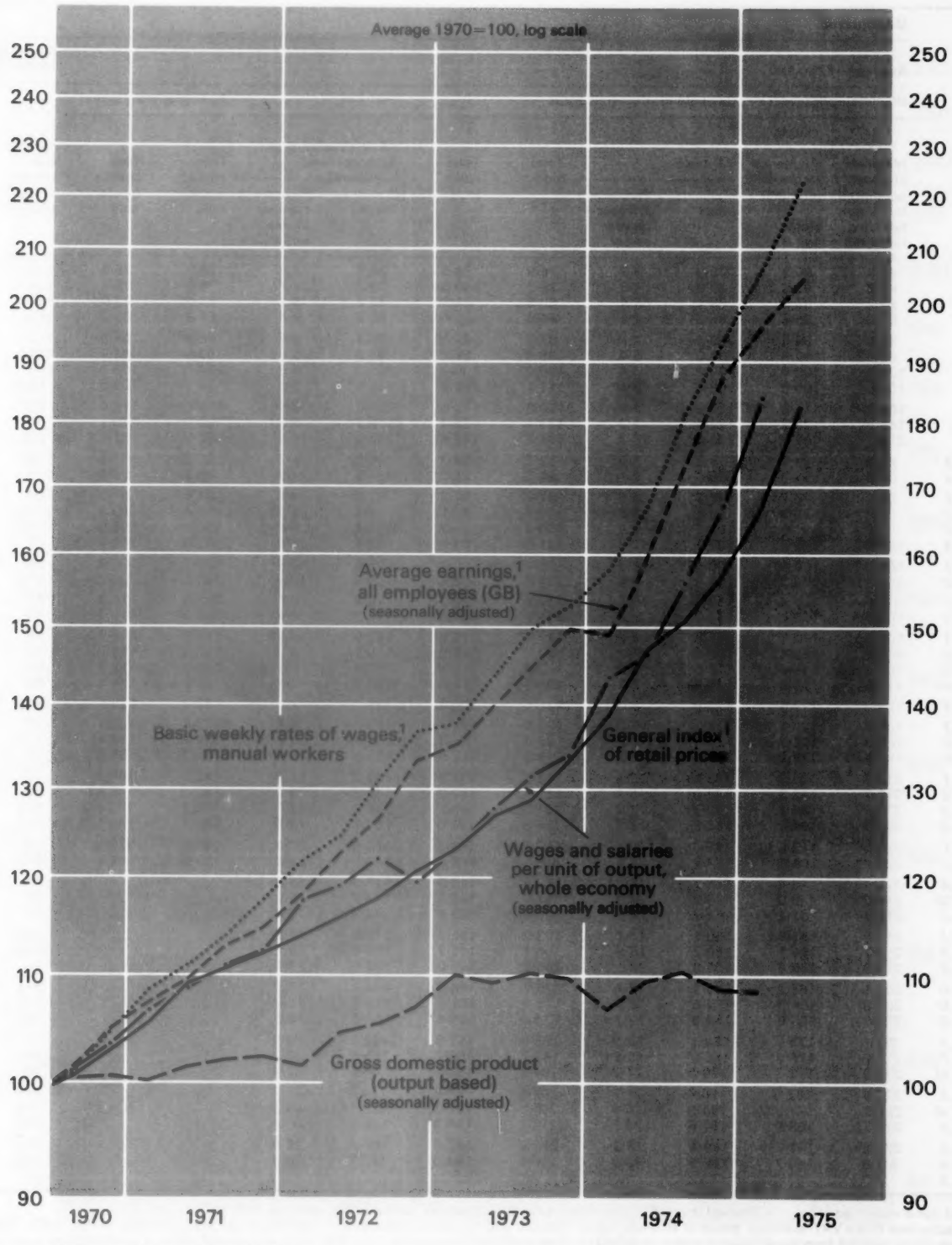
Percentage rates, seasonally adjusted



Wage rates and earnings

	Unadjusted		Seasonally adjusted					
	31 July 1972=100[1]		January 1970=100				1970=100	
	Basic weekly wage rates (manual workers)		Average earnings (GB) (wages and salaries combined)				Wages and salaries per unit of output	
	All industries and services covered	Manufacturing industry	All industries and services covered§	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1964	56·4	56·3	69·2	*7·7*	69·1	*8·0*	76·7	75·1
1965	58·8	58·4	74·1	*7·1*	73·7	*6·8*	79·8	79·5
1966	61·5	61·2	79·0	*6·6*	78·3	*6·2*	83·8	82·9
1967	63·9	63·6	81·8	*3·6*	81·1	*3·6*	85·1	82·9
1968	68·1	68·4	88·2	*7·8*	87·8	*8·2*	87·1	83·3
1969	71·7	72·1	95·2	*7·8*	94·9	*8·1*	91·3	88·5
1970	78·8	79·4	106·7	*12·1*	107·0	*12·7*	100·0	100·0
1971	89·0	89·3	118·7	*11·3*	118·9	*11·3*	109·6	108·7
1972	101·3	101·5	134·1[2]	..[2]	134·3[2]	..[2]	119·6	117·7
1973	115·2	114·6	152·1	..[2]	151·6	..[2]	129·0	124·2
1974	138·0	134·3	178·8	*17·5*	177·1	*16·9*	153·7	
1969 *3*	71·8	72·2	95·9	*7·8*	95·6	*8·0*	91·2	89·0
4	73·1	73·5	98·5	*8·2*	98·3	*8·7*	93·5	92·0
1970 *1*	75·7†	76·2	101·6	*10·2*	101·4	*10·4*	96·7	95·5
2	77·5	78·0	105·0	*11·6*	105·0	*12·0*	99·0	99·1
3	79·5	80·3	108·3	*13·0*	108·9	*13·9*	100·9	101·5
4	82·6	82·9	111·9	*13·6*	112·5	*14·5*	103·3	103·9
1971 *1*	85·8	86·4	114·9	*13·0*	115·1	*13·4*	106·6	106·6
2	87·6	88·4	117·1	*11·6*	117·4	*11·8*	108·7	107·1
3	89·8	90·0	120·4	*11·1*	120·4	*10·6*	110·9	109·3
4	92·8	92·1	122·5	*9·5*	122·8	*9·1*	112·3	111·8
1972 *1*	96·0	95·5†	126·4[3]	..[4]	126·8[3]	..[4]	117·9	..[3]
2	98·1	98·2	130·5	*11·4*	131·2	*11·7*	119·2	116·9
3	103·4	104·6	135·0	*12·1*	135·7	*12·7*	122·0	119·3
4	107·9	107·6	141·8	*15·8*	140·9	*14·8*	119·6	120·2
1973 *1*	108·7	108·1	144·0	..[4]	143·7	..[4]	123·0	118·7
2	113·4	111·7	149·6	*14·6*	148·9	*13·5*	127·7	122·4
3	118·1	117·8	154·7	*14·6*	153·7	*13·3*	131·4	124·6
4	120·6	120·7	159·8	*12·7*	160·0	*13·5*	133·9	131·0
1974 *1*	124·3	122·7	159·1[5]	*10·2*[5]	157·3[5]	*9·5*[5]	143·6	134·8
2	131·7	128·0	170·1	*13·7*	168·5	*13·2*	146·7	140·8
3	143·2	139·4	185·5	*19·9*	184·0	*19·7*	155·9	152·1
4	152·7	147·1	200·3	*25·4*	198·7	*24·2*	167·8	168·6
1975 *1*	162·7	155·1	209·6	*31·7*	207·3	*31·8*	184·3	177·0†
2	175·3	171·7	218·1	*28·2*	214·6	*27·3*		
1974 *A*	127·3	124·2	164·8	*11·7*	162·6	*10·7*	..	138·1
M	131·4	128·4	169·5	*13·5*	167·7	*12·7*	..	140·0
J	136·2	131·5	176·2	*16·0*	175·2	*16·0*	..	144·2
J	139·1	133·5	181·4	*18·1*	179·9	*18·2*	..	147·7
A	144·8	142·1	185·9	*20·5*	183·9	*20·0*	..	151·9
S	145·6	142·6	189·0	*21·0*	188·1	*20·7*	..	156·7
O	147·9	143·9	191·8	*21·3*	191·1	*21·1*	..	162·8
N	153·1	147·0	200·8	*25·4*	199·9	*24·7*	..	169·9
D	157·1	150·3	208·3	*29·4*	205·1	*26·7*	..	173·1
1975 *J*	158·9	151·8	206·2	[4]	204·0	[4]	..	174·9
F	161·1	152·2	209·9	[4]	207·3	[4]	..	176·1
M	168·1	161·4	212·8	*27·9*	210·8	*27·7*	..	179·9†
A	169·1†	162·6†	215·4	*30·7*	212·2	*30·5*	..	183·9
M	175·4	174·3	217·7†	*28·4*†	213·7†	*27·4*	..	186·3
J	181·3	178·3	221·2	*25·6*[6]	217·8	*24·3*†	..	
J	183·2	178·8	231·6[6]	*27·4*[6]	226·9[6]	*26·1*[6]		
A	184·0	179·8						
S								

[1] Prior to July 1972 the series was based on 31 January 1956=100. Figures before July 1972 have therefore been linked.
[2] Average of 11 months. See footnote[5].
[3] In the absence of earnings data for February 1972 due to the effects of the coalmining dispute, no index of wages and salaries per unit of output has been calculated for that month. The indices calculated for January and March 1972 are less reliable than usual.
[4] The three day week depressed earnings so much in January and February 1974 that the crude percentage figures for the increases in January and February 1975 are meaningless.
[5] The figures reflect temporary reductions in earnings while three-day working and other restrictions were in operation. [6] Provisional.



[1] Three month average of monthly figures

Prices

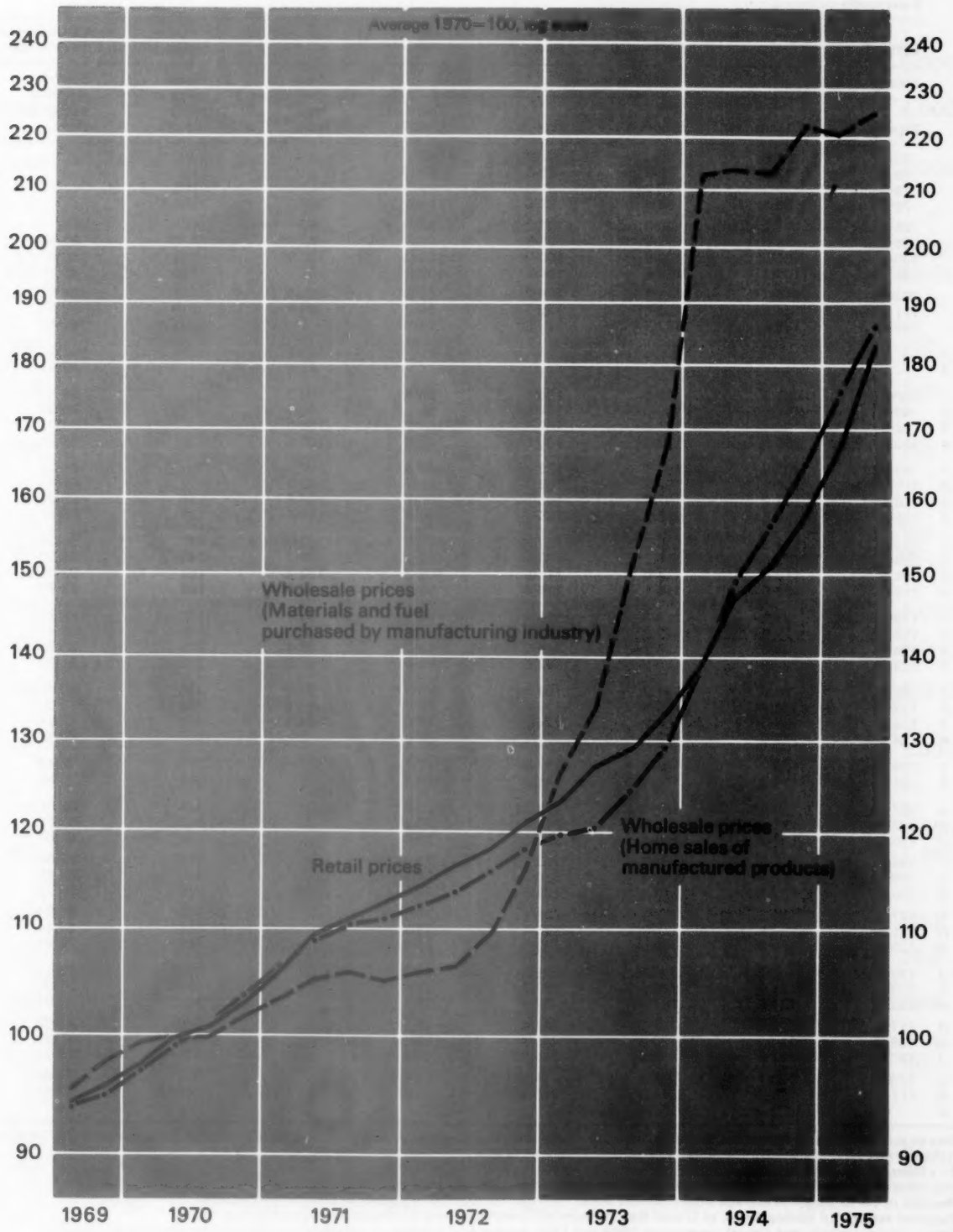
Unadjusted

Average 1970=100

Average 1970=100p

	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
	Output										
	Materials and fuel purchased by manufacturing industry[2]	All manufactured products Home sales[3]	All items Index	*Percentage increase on year earlier*	Total food	Total non-food	All items other than seasonal food Index	*Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1964	81·1	80·3	76·3	*3·3*	76·9	76·0	76·7	*3·9*	76·3	76·4	131
1965	82·2	83·3	80·0	*4·8*	79·7	80·0	80·2	*4·7*	79·5	79·8	125
1966	84·2	85·6	83·1	*3·9*	82·5	83·3	83·2	*3·7*	83·0	83·0	120½
1967	83·8	86·5	85·2	*2·5*	84·6	85·4	85·2	*2·4*	84·9	85·0	117½
1968	91·5	89·9	89·2	*4·7*	87·9	89·6	89·3	*4·8*	88·8	88·8	112
1969	95·0	93·4	94·0	*5·4*	93·5	94·2	93·9	*5·2*	93·5	93·7	106½
1970	100·0	100·0	100·0	*6·4*	100·0	100·0	100·0	*6·5*	100·0	100·0	100
1971	104·6	109·0	109·4	*9·4*	111·1	108·9	109·5	*9·5*	110·1	109·9	91½
1972	109·2	114·8	117·2	*7·1*	120·9	116·0	117·0	*6·9*	118·5	118·0	85½
1973	144·5	123·2	128·0	*9·2*	139·1	124·4	126·7	*8·3*	130·0	130·1	78
1974	215·3	152·0	148·5	*16·1*	164·2	143·4	147·0	*16·0*	150·9	151·1	67½
1969 *3*	95·2	93·7	94·2	*5·0*	93·7	94·3	94·2	*4·7*	93·2	93·7	106
4	97·5	94·7	95·4	*5·1*	94·5	95·7	95·5	*4·9*	95·3	95·4	105
1970 *1*	99·2	96·7	97·1	*5·0*	97·2	97·2	97·0	*4·9*	97·6	97·6	103
2	99·7	98·9	99·5	*5·8*	100·6	99·1	98·9	*5·9*	99·4	99·4	100½
3	99·8	100·9	100·6	*6·9*	100·4	100·7	100·8	*7·0*	100·1	100·2	99½
4	101·4	103·4	102·7	*7·7*	101·8	103·1	103·1	*8·0*	102·8	102·6	97
1971 *1*	103·0	106·3	105·5	*8·6*	105·6	105·4	105·6	*8·8*	105·9	105·8	95
2	104·9	108·7	109·3	*9·8*	111·5	108·6	109·0	*10·2*	109·4	109·3	91½
3	105·6	110·3	110·8	*10·1*	112·8	110·1	110·9	*10·0*	111·6	111·3	90
4	104·8	110·8	112·2	*9·2*	114·4	111·5	112·3	*8·9*	113·6	113·0	89
1972 *1*	105·6	112·1	113·9	*8·0*	117·8	112·6	113·9	*7·9*	115·9	115·3	88
2	106·1	113·5	116·0	*6·2*	119·0	115·0	115·9	*6·3*	117·3	116·7	86
3	109·4	115·6	118·0	*6·5*	122·3	116·5	117·8	*6·2*	119·1	118·8	85
4	115·6	118·0	120·8	*7·7*	124·7	119·6	120·7	*7·4*	122·0	121·4	83
1973 *1*	126·0	119·5	123·0	*8·0*	131·1	120·3	122·2	*7·3*	125·0	124·9	81½
2	133·3	120·1	126·9	*9·3*	137·4	123·5	125·2	*8·1*	129·0	129·1	79
3	150·9	124·2	128·8	*9·2*	139·8	125·3	127·7	*8·5*	130·2	130·4	77½
4	167·6	129·1	133·2	*10·3*	148·1	128·5	131·8	*9·2*	135·7	135·9	75
1974 *1*	212·5	138·3	138·8	*12·9*	156·2	133·3	137·2	*12·3*	142·2	142·2	72
2	213·7	148·9	147·0	*15·9*	161·7	142·2	145·3	*16·0*	148·0	148·8	68
3	212·9	156·1	150·7	*17·0*	164·5	146·1	149·4	*17·0*	152·7	152·9	66½
4	222·1	164·9	157·5	*18·2*	174·3	152·0	156·1	*18·5*	160·7	160·5	63½
1975 *1*	220·9	176·0	167·0	*20·3*	188·5	160·2	165·6	*20·7*	170·6	170·3	60
2	225·6†	186·3	182·7	*24·3*	205·9	175·4	180·7	*24·4*	188·9	188·5	54½
1974 *A*	215·4	146·4	145·1	*15·2*	159·6	140·3	143·6	*15·3*	..	..	69
M	214·0	149·0	147·2	*16·0*	161·7	142·6	145·5	*16·2*	..	..	68
J	211·7	151·2	148·7	*16·5*	163·8	143·8	146·7	*16·4*	..	..	67
J	212·3	153·5	150·1	*17·1*	163·2	145·7	148·6	*17·2*	..	..	66½
A	213·7	156·1	150·2	*16·9*	164·1	145·7	149·0	*16·7*	..	..	66½
S	212·8	158·6	151·9	*17·1*	166·3	147·0	150·6	*17·1*	..	..	66
O	220·1	162·2	154·9	*17·1*	170·7	149·8	153·6	*17·3*	..	..	64½
N	223·8	164·8	157·6	*18·3*	175·2	151·9	156·1	*18·4*	..	..	63½
D	222·5	167·6	159·9	*19·1*	176·9	154·4	158·6	*19·5*	..	..	62½
1975 *J*	222·1	173·0	164·1	*19·9*	183·0	157·9	162·8	*20·5*	..	..	61
F	218·8	175·9	166·8	*19·9*	187·7	160·2	165·5	*20·2*	..	..	60
M	221·9	179·2	170·0	*21·2*	194·9	162·4	168·6	*21·4*	..	..	59
A	222·9	182·5	176·6	*21·7*	202·1	168·8	174·8	*21·7*	..	..	56½
M	226·2	187·3	184·0	*25·0*	205·3	177·0	182·1†	*25·2*	..	..	54½
J	227·7†	189·0	187·6	*26·1*	210·2	180·3	185·2	*26·2*	..	..	53½
J	232·8[5]	191·7[5]†	189·4	*26·3*	210·8	182·5	187·1	*25·9*	..	..	53
A	241·0	193·7	190·6	*26·9*	210·8	184·0	188·7	*26·7*	..	..	52½
S											

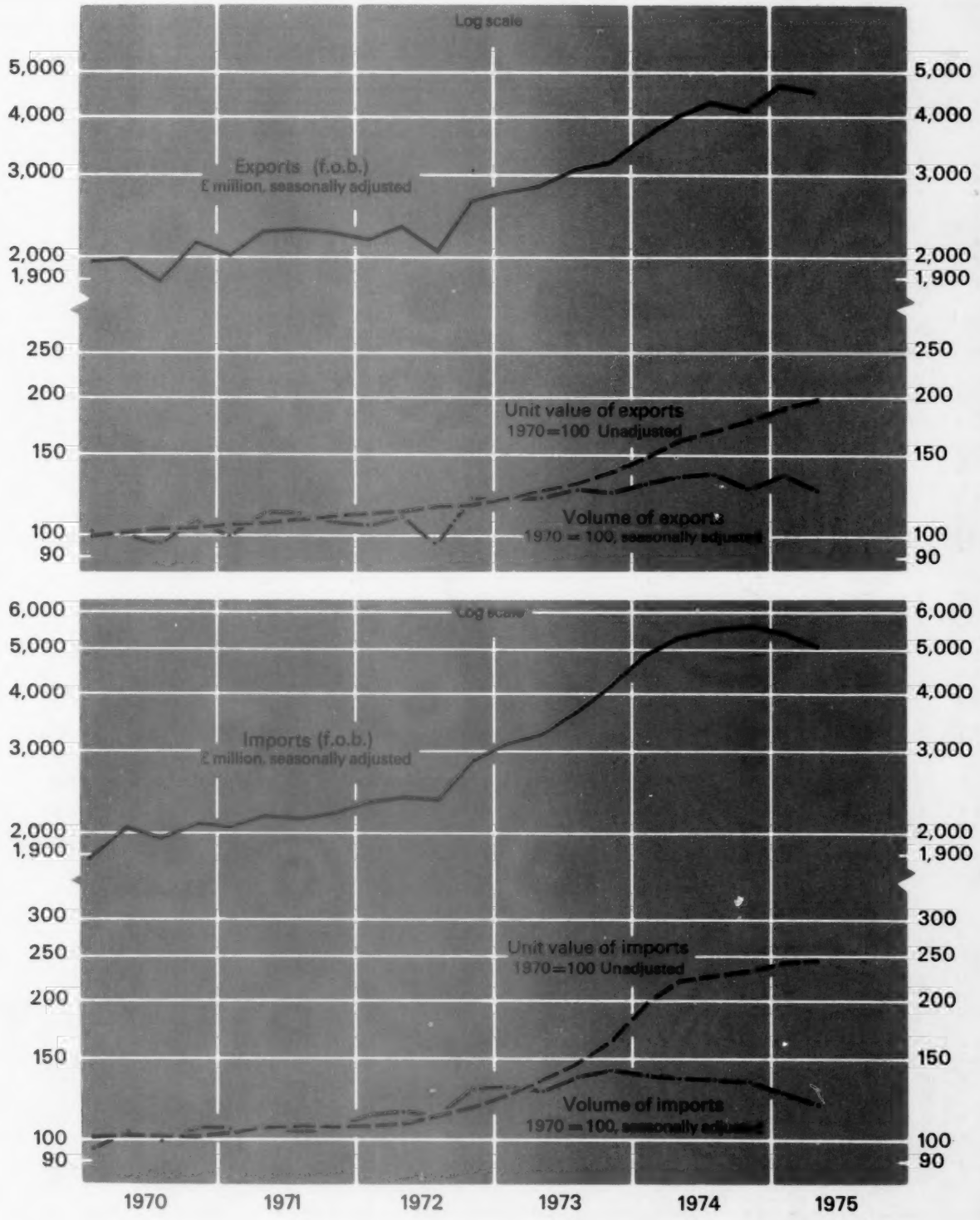
[1] All items except housing. [2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products, index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices. [5] Provisional.


Average 1970=100, log scale
240
230
220
210
200
190
180
170
160
150
140
130
120
110
100
90
Wholesale prices
(Materials and fuel
purchased by manufacturing industry)
Retail prices
Wholesale prices
(Home sales of
manufactured products)
1969
1970
1971
1972
1973
1974
1975

Visible trade

	Seasonally adjusted		Unadjusted					
	1970=100		1970=100				1963=100	19 December 1971[1]=100
	Volume indices[2]		Unit value indices[2]					
	Exports	Imports	Exports	Imports	Terms of trade[3]	Trade competitiveness index[4]	World commodity prices index[5]	Sterling effective exchange rate
1964	73·1	77·5	77·3	81·2	95·2	..	..	..
1965	76·9	77·6	79·3	81·3	97·6	..	..	..
1966	79·9	79·2	82·2	82·6	99·6	107·3	108	..
1967	78·9	85·6	83·4	82·8	100·8	106·9	104	..
1968	88·5	94·2	90·0	92·7	97·1	99·1	122	..
1969	96·7	94·5	93·0	95·6	97·3	98·8[6]	128	99·95
1970	100·0	100·0	100·0	100·0	100·0	100·0[6]	133	98·95
1971	106·7†	104·2	105·6	104·7	100·8	103·3	130	98·77
1972	106·6	116·3	111·1	109·7	101·3	103·5	157	94·99
1973	121·8	134·0†	126·0	139·7	90·2	95·1	218	85·42
1974	130·1	135·4	162·7	217·3†	74·9†		351	82·16
1969 *3*	..	..	..	..	..	100·1	..	100·27
4	..	..	..	..	..	97·4	..	99·61
1970 *1*	100·4	95·5	98·9	100·1	98·8	100·2	..	99·72
2	99·4	101·6	100·0	101·0	99·1	100·1	..	99·34
3	94·6	98·4†	101·9	100·7	101·2	101·3	..	98·37
4	105·6	104·5	102·3	100·5	101·8	101·8	..	98·35
1971 *1*	99·5†	103·9	104·1	102·3	101·8	102·5	..	99·22
2	110·4	105·1	105·3	105·7	99·7	102·1	..	99·03
3	110·3	102·2	107·3	106·5	100·7	103·3	138	98·32
4	106·4	105·5	109·0	105·8	103·0	104·8	135	98·51
1972 *1*	104·5	112·2	110·2	107·2	102·8	107·0	137	99·31
2	108·7	113·6	110·7	107·7	102·8	106·4	140	98·20
3	94·5	110·6	114·0	111·5	102·2	102·2	154	92·65
4	118·6	128·8	115·1	116·6	98·7	98·3	165	89·79
1973 *1*	119·4	130·3	119·3	123·4	96·7	97·7	182	88·95
2	119·7	128·3	123·8	133·1	93·0	98·5	196	88·41
3	124·7	136·0	129·1	146·7	88·0	92·4	228	82·75
4	123·6	141·3	136·1	162·0	84·0	91·8	265	81·57
1974 *1*	129·3	136·6	147·2	194·5†	75·7†	93·0	356†	82·55
2	132·0	136·0	159·9	218·4	73·2	94·5	346	83·01
3	134·7	135·9	168·1	224·2	75·0	94·7	348	82·62
4	124·6	132·9	175·8	231·3	76·0		357	80·44
1975 *1*	134·0	126·7	184·9	237·8	77·7		336	78·44
2	124·3	118·8	193·4	241·2	80·2		340	75·86
1974 *A*	132·4†	133·4†	157·0	214·9†	73·0†	..	349[7]†	83·01
M	133·1	137·4	159·3	218·4	72·9	..	342[7]	83·02
J	130·6	137·3	163·4	222·0	73·6	..	339[7]	83·01
J	134·3	138·0	164·8	223·1	73·9	..	344[7]	83·04
A	133·1	132·4	168·6	225·0	74·9	..	348[7]	82·60
S	136·6	137·2	170·9	224·5	76·1	..	345[7]	82·22
O	127·2	134·8	172·4	228·1	75·6	..	352[7]	81·84
N	121·3	139·1	175·8	230·4	76·3	..	356[7]	80·44
D	125·0	124·8	179·0	235·5	76·0	..	356[7]	79·04
1975 *J*	139·1	130·3	182·2	236·6	77·0	..	350[7]	78·47
F	129·1	127·9	185·1	237·1	78·1	..	345[7]	78·32
M	133·8	121·8	187·4	239·8	78·1	..	342[7]	78·54
A	117·6	121·6	191·0	241·4	79·1	..	340[7]	78·05
M	135·0	117·7	193·3	241·4	80·1	..	338[7]	76·31
J	120·5	117·0	196·0†	240·8†	81·4	..	340[7]	73·22
J	124·9	129·7	199·8	241·8	82·6		351[7]	72·44
A	117·0	125·2	202·5	245·1	82·6		368[7]	73·14
S								

[1] Date of the Smithsonian Agreement. Monthly figures are trade-weighted averages of end-month rates. A methodological article on the 'effective. exchange rate was published in the June 1974 issue of *Economic Trends*.
[2] On a balance of payments basis.
[3] Unit value index for exports expressed as a percentage of unit value index for imports.
[4] The ratio of UK to weighted average export (dollar) prices for major competitors in respect of manufactured goods.
[5] Weighted average, in sterling terms, of United Nations index numbers for primary commodities and non-ferrous metals.
[6] Differences in quarterly and annual averages for 1969 and 1970 are due to the effects of adjusting the UK series for export over-valuation.
[7] Projections by the Department of Industry.


Log scale
5,000
4,000
3,000
2,000
1,900
250
200
150
100
90
Exports (f.o.b.)
£ million, seasonally adjusted
Unit value of exports
1970=100 Unadjusted
Volume of exports
1970 = 100, seasonally adjusted
6,000
5,000
4,000
3,000
2,000
1,900
300
250
200
150
100
90
Imports (f.o.b.)
£ million, seasonally adjusted
Unit value of imports
1970=100 Unadjusted
Volume of imports
1970 = 100, seasonally adjusted
1970
1971
1972
1973
1974
1975

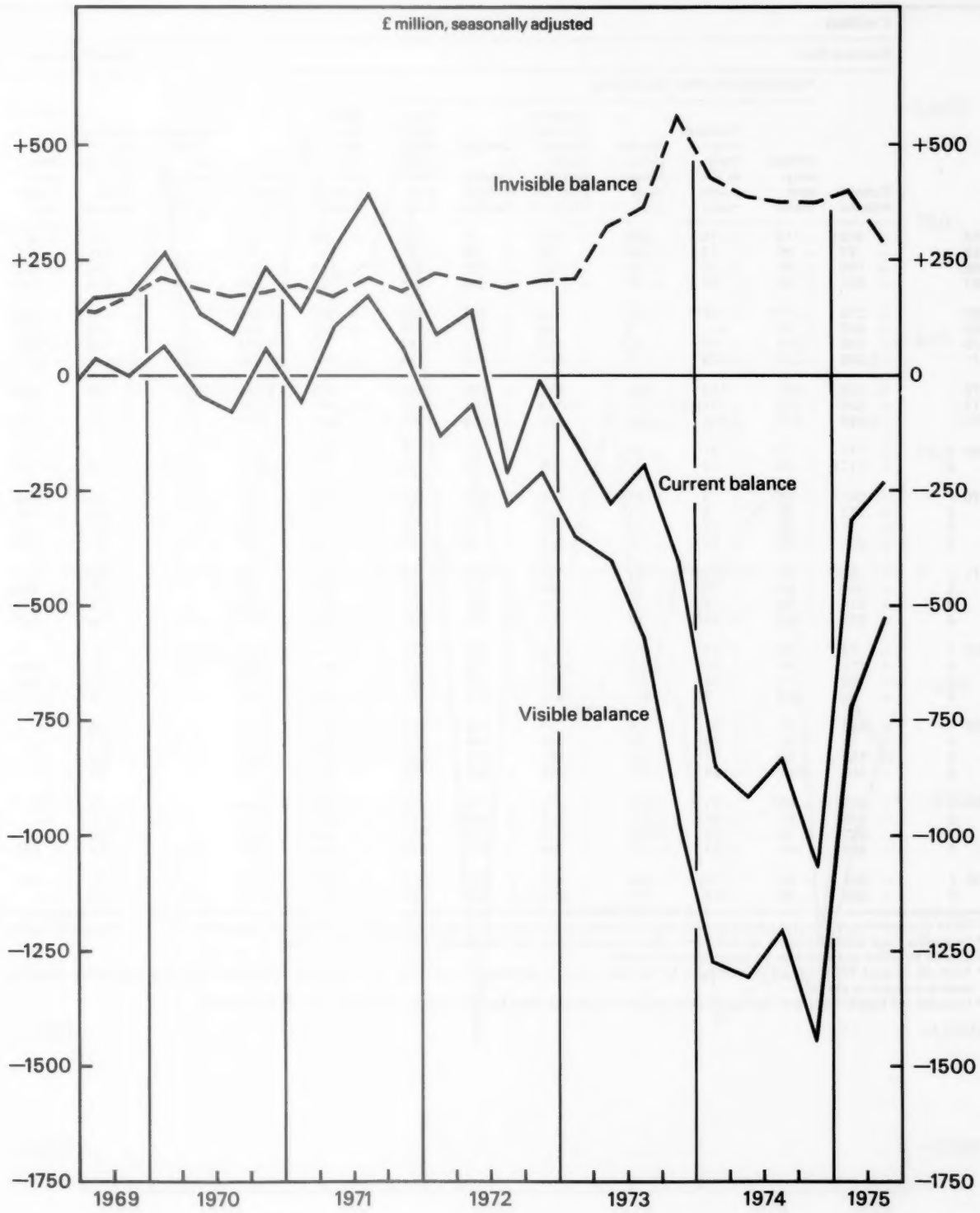
Balance of payments: current account

Seasonally adjusted

£ million

	Visible balance					Invisibles			
	Exports (f.o.b.)	Imports (f.o.b.)	Total	Petrol and petroleum products	Other goods	Credits	Debits	Balance	Current balance
1964	4,521	5,021†	− 500†	..	..	2,646	2,501	+ 145	− 355†
1965	4,848	5,071	− 223	..	..	2,871	2,675	+ 196	− 27
1966	5,203†	5,269	− 66	..	..	2,955†	2,789	+ 166†	+ 100
1967	5,139	5,693	− 554	..	..	3,244	2,991†	+ 253	− 301
1968	6,282	6,949	− 667	..	..	3,809	3,417	+ 392	− 275
1969	7,074	7,221	− 147	..	..	4,315	3,706	+ 609	+ 462
1970	7,907	7,919	− 12	..	..	5,006	4,259	+ 747	+ 735
1971	8,810	8,528	+ 282	− 650†	+ 932†	5,529	4,763	+ 766	+1,048
1972	9,140	9,830	− 690	− 657	− 33	6,092	5,274	+ 818	+ 128
1973	11,771	14,066	−2,295	− 941	−1,354	8,303	6,843	+1,460	− 835
1974	15,886	21,120	−5,234	−3,423	−1,811	9,975	8,409	+1,566	−3,668
1969 *3*	1,832	1,798†	+ 34†	..	..	1,077	942†	+ 135†	+ 169†
4	1,848†	1,849	− 1	..	..	1,116†	943	+ 173	+ 172
1970 *1*	1,936	1,877	+ 59	..	..	1,187	980	+ 207	+ 266
2	1,961	2,010	− 49	..	..	1,228	1,038	+ 190	+ 141
3	1,877	1,954	− 77	..	..	1,260	1,087	+ 173	+ 96
4	2,133	2,078	+ 55	..	..	1,331	1,154	+ 177	+ 232
1971 *1*	2,010	2,067	− 57	− 165†	+ 108†	1,355	1,157	+ 198	+ 141
2	2,265	2,160	+ 105	− 165	+ 270	1,375	1,202	+ 173	+ 278
3	2,293	2,113	+ 180	− 157	+ 337	1,394	1,182	+ 212	+ 392
4	2,242	2,188	+ 54	− 163	+ 217	1,405	1,222	+ 183	+ 237
1972 *1*	2,178	2,311	− 133	− 167	+ 34	1,483	1,260	+ 223	+ 90
2	2,289	2,353	− 64	− 151	+ 87	1,481	1,279	+ 202	+ 38
3	2,060	2,341	− 281	− 162	− 119	1,528	1,337	+ 191	− 90
4	2,613	2,825	− 212	− 177	− 35	1,600	1,398	+ 202	− 110
1973 *1*	2,724	3,078	− 354	− 188	− 166	1,771	1,567	+ 204	− 150
2	2,819	3,222	− 403	− 220	− 183	2,009	1,684	+ 325	− 78
3	3,078	3,642	− 564	− 237	− 327	2,105	1,739	+ 366	− 198
4	3,150	4,124	− 974	− 296	− 678	2,418	1,853	+ 565	− 409
1974 *1*	3,563	4,838	−1,275	− 760	− 515	2,446	2,020	+ 426	− 849
2	3,977	5,284	−1,307	− 874	− 433	2,457	2,068	+ 389	− 918
3	4,240	5,445	−1,205	− 870	− 335	2,450	2,074	+ 376	− 829
4	4,106	5,553	−1,447	− 919	− 528	2,622	2,247	+ 375	−1,072
1975 *1*	4,637	5,359	− 722	− 781	+ 59	2,702	2,296	+ 406	− 316
2	4,479	5,004	− 525	− 641	+ 116	2,711	2,421	+ 290	− 235
1974 *A*	1,296†	1,699†	− 403	− 290†	− 113†	..	..	+ 389†	..
M	1,327	1,797	− 470†	− 299	− 171	..	..		..
J	1,354	1,788	− 434	− 285	− 149	..	..		..
J	1,371	1,800	− 429	− 311	− 118	..	..	+ 376	..
A	1,404	1,807	− 403	− 275	− 128	..	..		..
S	1,465	1,838	− 373	− 284	− 89	..	..		..
O	1,371	1,859	− 488	− 327	− 161	..	..	+ 375	..
N	1,327	1,929	− 602	− 305	− 297	..	..		..
D	1,408	1,765	− 357	− 287	− 70	..	..		..
1975 *J*	1,589	1,876	− 287	− 312	+ 25	..	..	+ 406	..
F	1,480	1,796	− 316	− 263	− 53	..	..		..
M[1]	1,568	1,687	− 119	− 206	+ 87	..	..		..
A[1]	1,393	1,690	− 297	− 207	− 90	..	..	+ 290	..
M[1]	1,616	1,664	− 48	− 218	+ 170	..	..		..
J	1,470	1,650	− 180	− 216	+ 36	..	..		..
J	1,579	1,872	− 293	− 234	− 59	..	..	+ 110[2]	− 183†
A	1,494	1,864	− 370	− 278	− 92	..	..	+ 110[2]	− 260
S									

[1] The figures for visible trade were distorted by the industrial dispute at the Port of London.
[2] These figures are projections and are subject to revision as the relevant statistical information becomes available.

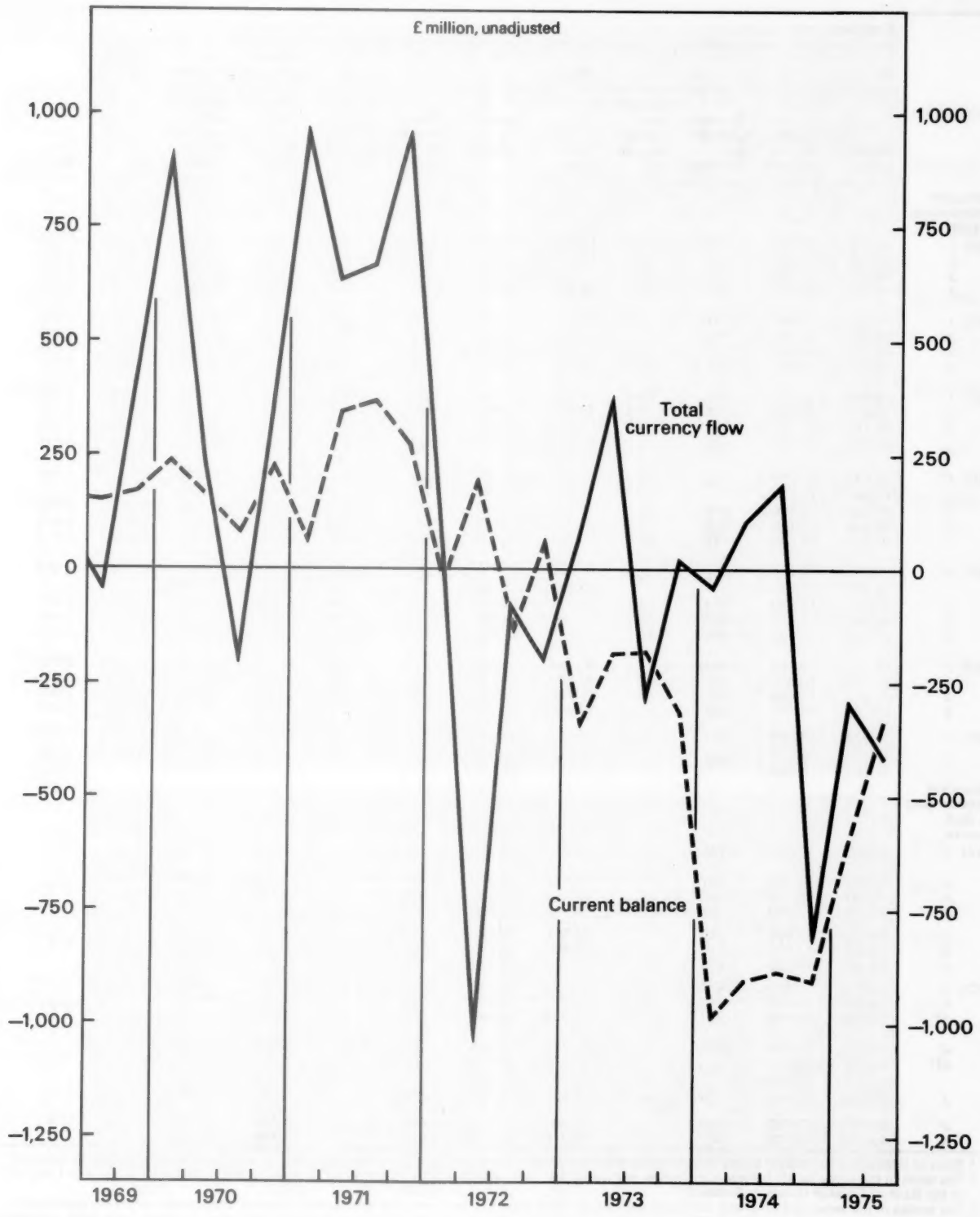

£ million, seasonally adjusted
+500
+250
0
−250
−500
−750
−1000
−1250
−1500
−1750
Invisible balance
Current balance
Visible balance
1969
1970
1971
1972
1973
1974
1975

Analysis of total currency flow and official financing[1]

£ million

	Currency flow									Official financing	
		Investment and other capital flows									
	Current balance	Official long-term capital	Overseas investment in UK public sector	Private sector investment (net)	Overseas currency borrowing or lending (net) by UK banks	Change in external sterling liabilities	Trade credit[2] and other short-term flows	Balancing item and other currency flows[3]	Total currency flow	Allocation of SDR and gold subscription to IMF	Drawings on(+)/ additions to (−) official reserves[4]	Other transactions (net)[5]
1964	− 355†	−116	+ 15	−256	+ 161	+ 21	−126	− 39†	− 695	—	+ 122	+ 573
1965	− 27	− 85	− 12	−130	− 22	− 98	+ 21	—	− 353	—	− 246	+ 599
1966	+ 100	− 81	+ 35	− 39	− 192	− 101	−200	− 69	− 547	− 44	− 34	+ 625
1967	− 301	− 59	+ 54	− 96	+ 36	− 284	−146	+ 125	− 671	—	+ 115	+ 556
1968	− 275	+ 17†	+ 16†	−160	− 15	− 308	−305	− 380	−1,410	—	+ 114	+1,296
1969	+ 462	− 99	—	− 6	− 38	+ 261	−227	+ 390	+ 743	—	− 44	− 699
1970	+ 735	−204	− 10	+ 51†	+ 472	+ 459	−196	− 20	+1,287	+133	− 125	−1,295
1971	+1,048	−273	+179	+219	+ 481†	+1,422	−133	+ 285	+3,228	+125	−1,536	−1,817
1972	+ 128	−255	+113	−656	+ 471	+ 196	−580†	− 682	−1,265	+124	+ 692	+ 449
1973	− 835	−252	+345	−271	+1,359	+ 154	−429	+ 139	+ 210	—	− 210	—
1974	−3,668	−275	+764	+982	+ 295	+1,558	−608	+ 387	− 565	—	− 79	+ 644
1969 *3*	+ 151	+ 29	− 31	+ 38	− 7	− 61	− 27	− 139	− 47	—	+ 4	+ 43
4	+ 172†	− 89	+ 19	− 33	− 24	+ 148	− 74	+ 317†	+ 436	—	− 39	− 397
1970 *1*	+ 247	− 49	+ 3	+ 37†	+ 125	+ 283	+ 66†	+ 203	+ 915	+171	− 76	−1,010
2	+ 172	− 37	− 3	+124	+ 123	+ 157	−136	− 173	+ 227	—	− 34	− 193
3	+ 81	− 20	− 23	− 84	− 24	+ 3	− 13	− 122	− 202	—	+ 52	+ 150
4	+ 235	− 98	+ 13	− 26	+ 248	+ 16	−113	+ 72	+ 347	− 38	− 67	− 242
1971 *1*	+ 58	− 45	+121	+132	+ 84	+ 285	+ 86	+ 252	+ 973	+125	− 204	− 894
2	+ 345	− 44	+ 28	+ 44	+ 158	+ 277	−119	− 55	+ 634	—	− 126	− 508
3	+ 375	− 35	+ 5	+ 55	+ 28	+ 337	+104	− 201	+ 668	—	− 576	− 92
4	+ 270	−149	+ 25	− 12	+ 211†	+ 523	−204	+ 289	+ 953	—	− 630	− 323
1972 *1*	− 12	− 43	+ 64	−193	+ 114	+ 211	−163	+ 79	+ 57	+124	− 191	+ 10
2	+ 210	− 39	+ 20	−200	− 132	− 138	−349	− 417	−1,045	—	+ 46	+ 999
3	− 130	− 17	+ 22	− 83	+ 199	− 92	− 54	+ 76	− 79	—	+ 639	− 560
4	+ 60	−156	+ 7	−180	+ 290	+ 215	− 14	− 420	− 198	—	+ 198	—
1973 *1*	− 339	− 55	+ 51	− 14	+ 37	+ 170	−113	+ 332	+ 69	—	− 69	—
2	− 6	− 30	+ 68	+ 10	+ 396	+ 166	− 40	− 187	+ 377	—	− 377	—
3	− 182	− 26	+ 37	− 63	+ 383	− 415	−183	+ 191	− 258	—	+ 258	—
4	− 308	−141	+189	−204	+ 543	+ 233	− 93	− 197	+ 22	—	− 22	—
1974 *1*	− 983	− 53†	+ 61	+522	+ 215	+ 179	−206	+ 226	− 39	—	+ 39	—
2	− 903	− 42	+280	+274	+ 319	+ 386	− 12	− 191	+ 111	—	− 111	—
3	− 880	− 15	+166	+363	− 293	+ 616	−212	+ 438	+ 183	—	− 183	—
4	− 902	−165	+257	−177	+ 54	+ 377	−178	− 86	− 820	—	+ 176	+ 644
1975 *1*	− 604	− 62	+119†	−249	− 105	+ 241†	− 75	+ 448	− 287	—	— 136	+ 423
2	− 336	− 38	+212	−715	+ 819	+ 25	−233	− 153	− 419	—	+ 419	—

[1] More comprehensive analyses are given in the appendix tables to the balance of payments articles in the March, June, September and December issues.
[2] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.
[3] Capital transfers and EEA loss on forward commitments.
[4] From 23 August 1971, valued in sterling at transactions rates of exchange. From July 1972, includes transactions affecting the United Kingdom reserve position in the IMF.
[5] Includes net transactions with overseas monetary authorities and other foreign currency borrowing by HM Government.

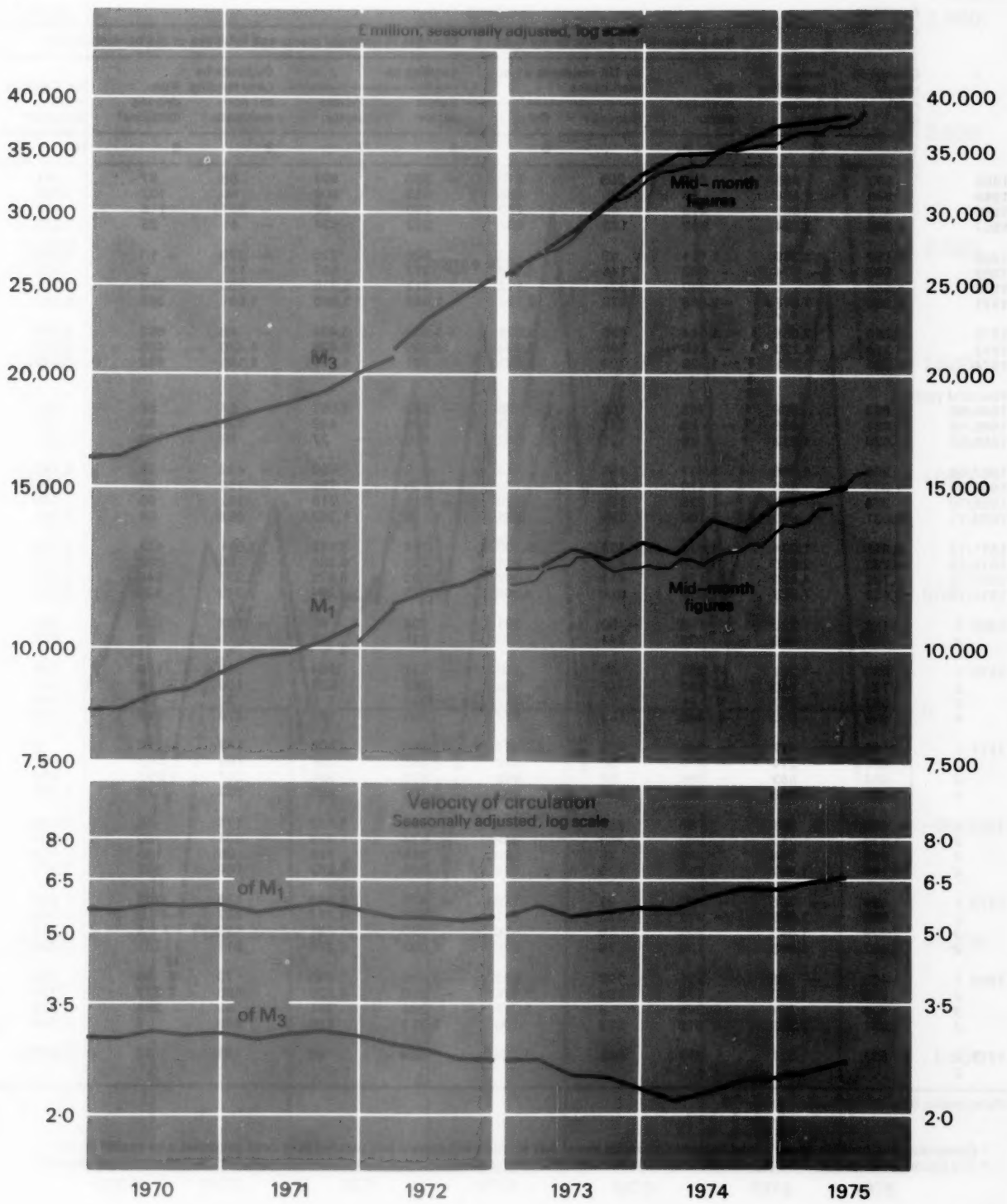

£ million, unadjusted
1,000
750
500
250
0
−250
−500
−750
−1,000
−1,250
Total currency flow
Current balance
1969
1970
1971
1972
1973
1974
1975

Money stock

£ million

	M_1				M_3				Notes and coin in circulation with public	Total deposits of domestic sectors	Velocity of circulation[1]	
	Unadjusted	Seasonally adjusted	Changes (seasonally adjusted)	*Percentage change (annual rate)*	Unadjusted	Seasonally adjusted §	Changes (seasonally adjusted)	*Percentage change (annual rate)*	Unadjusted	Unadjusted	M_1	M_3
Amounts outstanding at end												
1969 *1*	8,339	8,510†	− 78†	− *3·6*†	15,790	15,980†	215†	*5·5*†	2,914	12,876	5·341	2·858
2	8,188	8,330	−175	− *8·0*	15,737	15,860	−116	− *2·9*	2,909	12,828	5·487	2·889
3	8,312	8,310	16	− *0·8*	15,934	15,990	133	*3·4*	2,857	13,077	5·638	2·951
4	8,812	8,610	295	*15·0*	16,596	16,250	271	*7·0*	3,006	13,590	5·680	2·979
1970 *1*	8,507	8,640	41	*1·9*	16,161	16,320	93	*2·3*	3,040	13,121	5·654	2·976
2	8,852	8,930	295	*14·4*	16,893	16,970	657	*17·1*	3,081	13,812	5·780	3·046
3	9,032	9,040	108	*4·9*	17,281	17,350	378	*9·2*	3,154	14,127	5·746	3·014
4	9,635	9,430	386	*18·2*	18,175	17,800	458	*11·0*	3,320	14,855	5·786	3·032
1971 *1*	9,691	9,820	391	*17·6*	18,192	18,330	519	*12·2*	3,324	14,868	5·589	2·958
2	9,831	9,890	68	*2·8*	18,662	18,740	421	*9·5*	3,373	15,289	5·697	3·021
3	10,210	10,230	341	*14·5*	19,112	19,180	447	*19·9*	3,454	15,658	5·804	3·083
4[2]	11,088	10,740	103	*4·1*	20,541	20,010	826	*18·4*	3,589	16,952	5·642	3·016
1972 *1*[3]	11,168	11,140	398	*15·7*	21,001	20,950	941	*20·2*	3,755	17,246	5·445	2·889
	11,225	11,190			21,411	21,360			3,755	17,656		
2	11,729	11,590	400	*15·1*	23,105	23,010	1,658	*34·9*	3,860	19,245	5·421	2·798
3	11,930	11,790	209	*7·4*	24,060	23,990	991	*18·4*	3,905	20,155	5·355	2·679
4	12,657	12,290	497	*18·0*	26,245	25,670	1,696	*31·4*	4,079	22,166	5·464	2·653
1973 *1*[3]	12,333	12,300	14	*0·5*	27,138	27,130	1,477	*25·1*	4,170	22,968	5·740	2·668
	12,333	12,300			27,146†	27,140			4,170	22,976†		
2	13,175	12,970	683	*24·1*	28,674	28,560	1,433	*22·9*	4,349	24,325	5·454	2·487
3	12,882	12,540	−432	−*12·7*	31,008	30,790	2,224	*35·0*	4,301	26,707	5·615	2·452
4	13,303	13,090	554	*18·9*	33,478	33,050	2,264	*32·8*	4,377	29,101	5·721	2·318
1974 *1*	12,772	12,690	−396	−*11·6*	33,938	34,940	916	*11·6*	4,574	29,364	5·668	2·181
2	13,175	13,960	267	*18·7*	34,880	34,770	833	*10·2*	4,767	30,113	6·071	2·285
3	13,513	13,530	569	*18·8*	35,758	35,960	1,186	*14·4*	4,772	30,986	6·355	2·402
4	14,739	14,530	998	*32·9*	37,698	37,260	1,286	*15·1*	5,085	32,613	6·295	2·415
1975 *1*	14,735	14,840	291	*8·3*	37,422	37,600	327	*3·6*	5,448	31,974	6·449†	2·530†
2	15,175†	15,130	292	*8·1*	38,175	38,230	631	*6·9*	5,369†	32,806	6·607	2·643
	15,903	15,860			38,162	38,220			5,373	32,789		
Amounts outstanding at mid-month												
1974 *J*	12,525	12,400	−162	..	33,538	33,770	− 75	..	4,504	29,034	..	..
J	12,772	12,680	281	..	34,827	34,710	934	..	4,657	30,170	..	..
A	12,781	12,770	87	..	35,094	35,260	548	..	4,721	30,373	..	..
S	12,798	12,820	53	..	35,102	35,200	− 65	..	4,739	30,363	..	..
O	13,142	13,080	260	..	35,341	35,350	134[4]	..	4,767	30,574	..	..
N	13,302	13,060	− 15	..	35,868	35,710	349	..	4,899	30,969	..	..
D	13,693	13,260	203	..	36,249	35,710	− 16	..	5,047	31,202	..	..
1975 *J*	13,714	13,710	451	..	36,324	36,140	408	..	4,896	31,428	..	..
F	13,448	13,670	− 42	..	36,215	36,510	358	..	4,968	31,247	..	..
M	13,738	13,940	267	..	36,502	36,850	336	..	5,064	31,438	..	..
A	14,265	14,250	314	..	36,671	36,920	69	..	5,123	31,548	..	..
M[4]	14,280	14,360	103	..	36,994	37,480	551	..	5,255	31,739	..	..
	15,013†	15,090†			36,983†	37,470†			5,259	31,724†		
J	15,256	15,120	24†	..	37,161	37,360	−105†	..	5,270	31,891	..	..
J	15,622	15,550	335	..	37,697	37,510	145	..	5,466	32,231	..	..
A	15,798	15,730	227	..	38,246	38,370	867	..	5,494	32,752	..	..

[1] Ratio of GNP at current market prices seasonally adjusted expressed at an annual rate to the centred quarterly average of M_1/M_3 seasonally adjusted.
[2] The break in the series for M[1] between September and December 1971 reflects additional statistical information and is explained in notes to Table 12 in the *Bank of England Quarterly Bulletin.*
[3] The breaks in the series at end-March 1972 and end-March 1973 show, in each case, the effects of changes in contributors which are described in *Financial Statistics.* [4] At mid-May 1975 new statistical returns were introduced. The first line of figures for mid-May and mid-June 1975, includes a number of estimates to provide reasonable consistency with earlier dates.


£ million, seasonally adjusted, log scale
40,000
35,000
30,000
25,000
20,000
15,000
10,000
7,500
Mid-month figures
M_3
M_1
Mid-month figures
Velocity of circulation
Seasonally adjusted, log scale
8·0
6·5
5·0
3·5
2·0
of M_1
of M_3
1970
1971
1972
1973
1974
1975

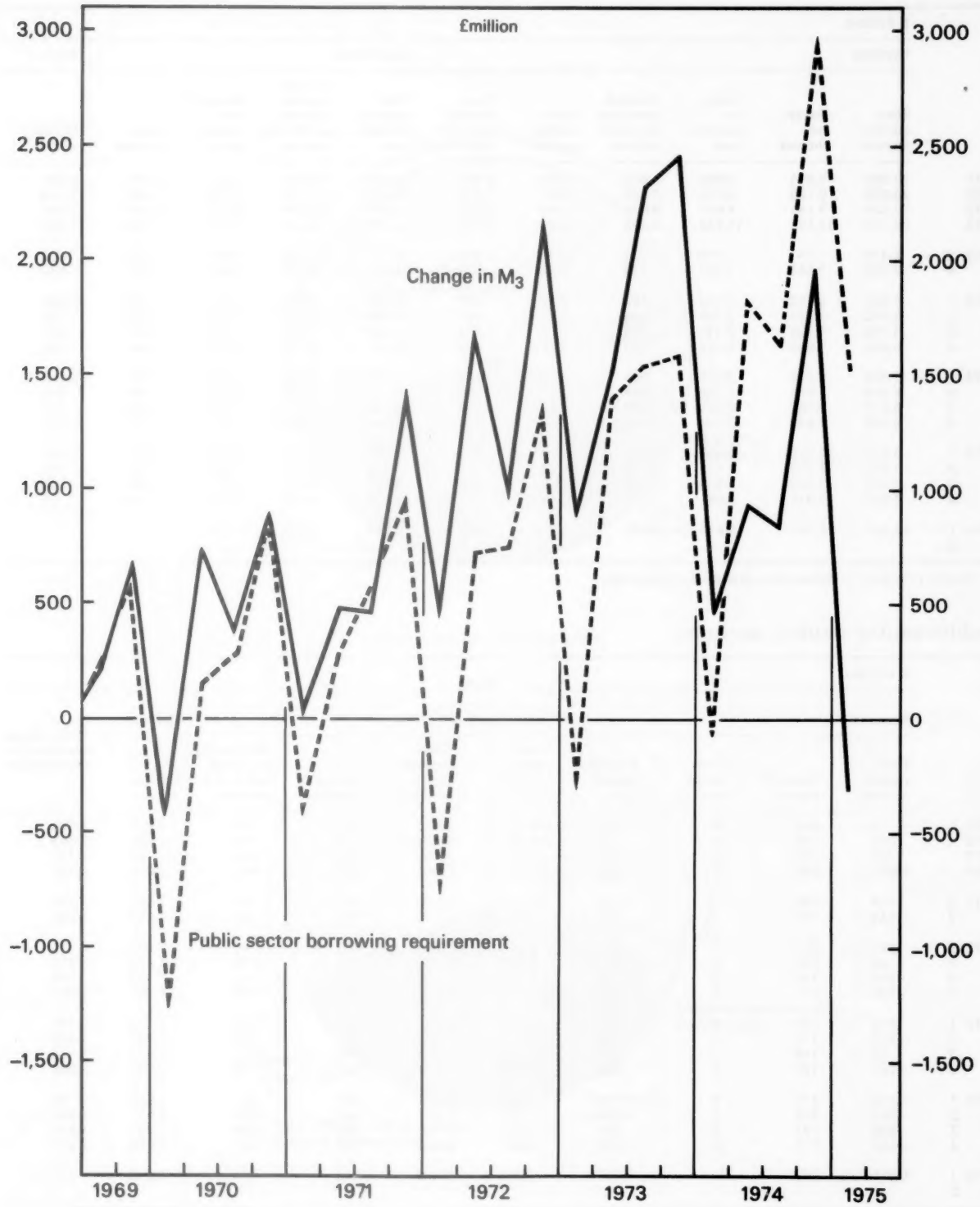
Money stock and public sector borrowing requirement

£ million

	Change in money stock M_3	Public sector borrowing requirement	Net acquisition of public sector debt			Changes in financial assets and liabilities of the banking sector				
			By overseas sector	By UK residents other than banks		Lending to		Deposits by (*less* lending to) non-residents	Non-deposit liabilities[1]	Net deposits of UK residents[2]
				Currency	Other	Public sector	Private sector			
	1	2	3	4	5	6	7	8	9	10
1964	653	995	656	209	510	− 380	999	88	87	444
1965	938	1,188	96	195	469	428	508	66	127	743
1966	479	959	413	66	260	220	52	− 257	116	413
1967	1,345	1,834	502	125	637	570	634	− 41	25	1,220
1968	1,152	1,315	1,111	52	23	129	725	− 236	− 10	1,100
1969	503	− 474	− 593	146	346	− 373	597	− 141	8	357
1970	1,586	− 4	−1,350	321	112	913	1,315	753	210	1,265
1971	2,366	1,378	−2,668	273	2,107	1,666	1,856	1,061	368	2,093
1972	5,299	2,058	1,564	495	1,025	−1,026	6,434	− 48	652	4,804
1973	7,213	4,226	− 108	305	2,034	1,995	6,828	1,430	485	6,908
1974	4,204	6,371	1,528	709	3,433	701	4,671	1,195	682	3,495
Financial years										
1964/65	653	908	743	102	428	− 365	1,053	51	86	551
1965/66	1,087	968	− 76	241	224	579	449	122	60	846
1966/67	429	1,212	25	125	652	410	− 27	− 59	138	304
1967/68	1,258	1,966	1,447	106	412	1	698	− 432	− 21	1,152
1968/69	1,077	454	419	69	− 172	138	796	− 164	90	1,008
1969/70	374	− 537	−1,239	129	789	− 216	718	162	95	245
1970/71	2,031	840	−1,190	288	564	1,178	1,267	618	84	1,743
1971/72	2,811	1,024	−1,878	433	1,703	766	3,142	1,091	439	2,378
1972/73	5,733	2,525	1,426	421	911	− 233	6,288	− 59	802	5,312
1973/74	6,782	4,465	125	411	2,547	1,382	6,672	1,337	346	6,371
1974/75	3,432	7,963	1,550	874	4,306	1,233	3,264	1,313	626	2,558
1969 *3*	199	230	103	− 50	281	− 104	61	− 153	−139	249
4	657	579	− 429	144	243	621	56	75	89	513
1970 *1*	− 430	−1,261	− 854	39	185	− 631	554	282	110	− 469
2	733	140	− 132	42	− 38	268	563	160	− 20	691
3	387	267	81	72	− 212	326	1	32	− 20	315
4	896	850	− 445	168	177	950	197	279	140	728
1971 *1*	15	− 417	− 694	6	637	− 366	506	147	− 16	9
2	471	274	− 410	50	279	355	287	109	112	421
3	452	563	− 654	83	609	525	364	267	253	369
4	1,428	958	− 910	134	582	1,152	699	538	19	1,294
1972 *1*	460	− 771	96	166	233	−1,266	1,792	177	55	294
2	1,698	717	940	109	242	− 574	1,939	− 304	80	1,589
3	955	745	230	45	225	245	820	− 25	180	910
4	2,186	1,367	298	175	325	569	1,883	104	337	2,011
1973 *1*	894	− 304	− 42	92	119	− 473	1,646	166	205	802
2	1,528	1,399	− 321	183	961	576	1,217	457	− 9	1,345
3	2,329	1,543	125	− 48	576	890	1,691	196	8	2,377
4	2,462	1,588	130	78	378	1,002	2,274	611	281	2,384
1974 *1*	463	− 65	191	198	632	−1,086	1,490	73	66	265
2	946	1,833	174	193	1,676	− 210	1,820	480	377	753
3	834	1,631	345	5	1,017	264	851	53	233	829
4	1,961	2,972	818	313	108	1,733	510	589	6	1,648
1975 *1*	− 309	1,527	213	363	1,505	− 554	83	191	10	− 672
2										

Relationship between columns 1=4+10
2−3−4−5=6
6+7−8−9=10.

[1] Comprising the banking sector's total identified financial assets *less* accruals adjustment and purchases of bank securities *plus* capital issues.
[2] The figures relate to both sterling and non-sterling current and deposit accounts after deducting items in transit, etc. and all inter-bank deposits.


£million
3,000
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
Change in M_3
Public sector borrowing requirement
1969
1970
1971
1972
1973
1974
1975

Public sector current account

£ million

	Receipts						Expenditure				Balance
	Total current receipts	Taxes on income	Taxes on expenditure	National insurance, etc. contributions	Gross trading surplus[1]	Rent, interest and dividends, etc.	Total current expenditure	Current expenditure on goods and services	Subsidies and current grants	Debt interest	Current surplus[1]
1971	22,988	7,984	8,809	2,835	1,695	1,665	18,486	10,353	5,920	2,213	4,502
1972	24,450	8,128	9,279	3,333	1,834	1,876	21,412	11,776	7,204	2,432	3,038
1973	27,404	9,134	9,949	3,926	2,194	2,201	24,444	13,270	8,272	2,902	2,960
1974	33,610	12,125	11,336	4,985	2,522	2,642	31,370	16,473	11,128	3,769	2,240
1971 *3*	5,443	1,747	2,186	711	384	415	4,701	2,626	1,441	634	742
4	5,559	1,556	2,321	774	474	434	4,900	2,734	1,635	531	659
1972 *1*	6,961	3,152	2,159	794	421	435	5,369	2,876	1,808	685	1,592
2	5,793	1,723	2,334	824	431	481	5,088	2,830	1,748	510	705
3	5,744	1,725	2,310	835	410	464	5,337	2,961	1,729	647	407
4	5,952	1,528	2,476	880	572	496	5,618	3,109	1,919	590	334
1973 *1*	7,663	3,279	2,378	944	569	493	5,989	3,230	1,984	775	1,674
2	6,208	1,864	2,339	944	505	556	5,760	3,190	2,026	544	448
3	6,577	2,052	2,524	992	462	547	6,196	3,358	1,975	863	381
4	6,956	1,939	2,708	1,046	658	605	6,499	3,492	2,287	720	457
1974 *1*	8,599	3,727	2,485	1,117	616	654	7,365	3,743	2,569	1,053	1,234
2	7,653	2,409	2,871	1,124	628	621	6,949	3,810	2,453	686	704
3	8,466	3,068	2,899	1,308	555	636	8,257	4,251	2,911	1,095	209
4	8,892	2,921	3,081	1,436	723	731	8,799	4,669	3,195	935	93
1975 *1*	10,631	4,755	2,870	1,541	723	742	9,914	5,322	3,373	1,219	717
2											

[1] Before providing for depreciation and stock appreciation.

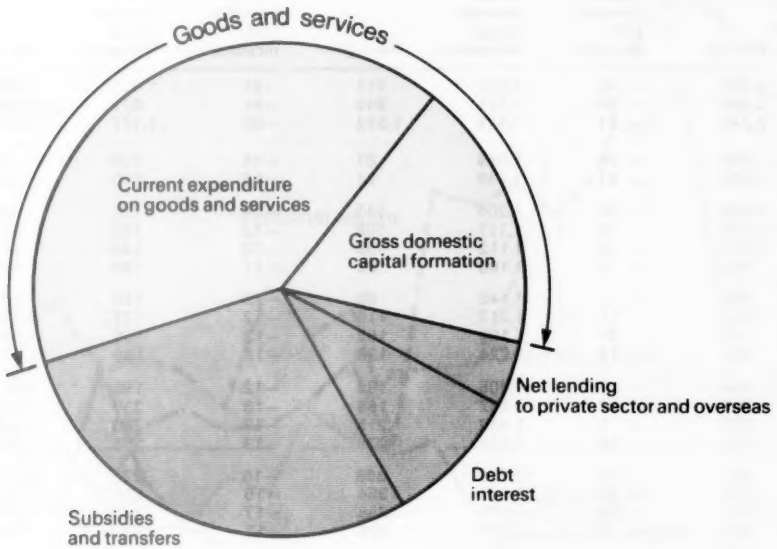
Public sector capital account

£ million

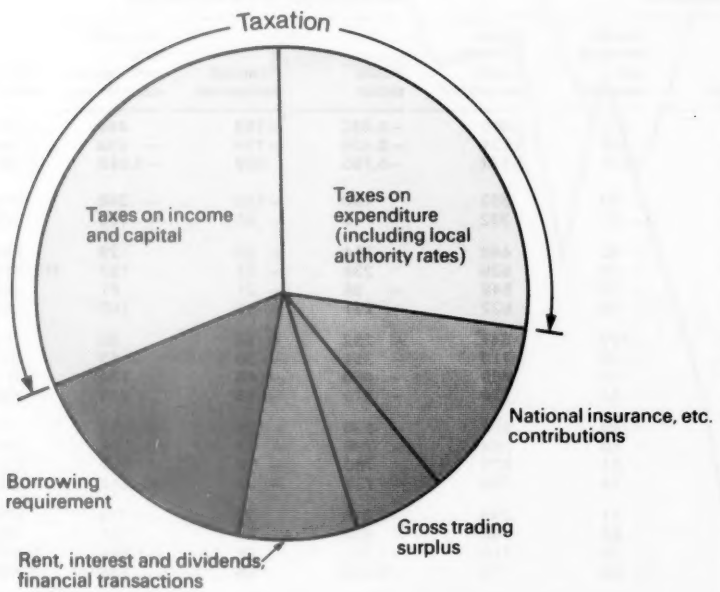
	Receipts				Expenditure				Balance	Public sector borrowing requirement[2]
	Total capital receipts	Taxes on capital	Other capital transfers	Financial transactions	Total capital expenditure	Gross domestic capital formation[1]	Capital transfers	Net lending to private sector and overseas	Capital surplus	
1971	− 1	649	29	−679	5,879	4,623	860	396	−5,880	1,378
1972	861	746	23	92	5,957	4,762	727	468	−5,096	2,058
1973	363	797	24	−458	7,549	5,753	856	940	−7,186	4,226
1974	1,501	845	30	626	10,112	7,344	926	1,842	−8,611	6,371
1971 *3*	124	148	7	− 31	1,429	1,126	207	96	−1,305	563
4	−144	157	7	−308	1,473	1,196	185	92	−1,617	958
1972 *1*	636	234	7	395	1,457	1,204	206	47	− 821	−771
2	63	179	4	−120	1,485	1,138	172	175	−1,422	717
3	297	162	6	129	1,449	1,188	169	92	−1,152	745
4	−135	171	6	−312	1,566	1,232	180	154	−1,701	1,367
1973 *1*	675	239	4	432	2,045	1,478	245	322	−1,370	−304
2	−189	178	7	−374	1,658	1,296	203	159	−1,847	1,399
3	24	188	7	−171	1,948	1,462	216	270	−1,924	1,543
4	−147	192	6	−345	1,898	1,517	192	189	−2,045	1,588
1974 *1*	1,424	272	6	1,146	2,593	1,876	235	482	−1,169	− 65
2	−307	208	6	−521	2,230	1,624	240	366	−2,537	1,833
3	826	194	8	624	2,666	1,780	252	634	−1,840	1,631
4	−442	171	10	−623	2,623	2,064	199	360	−3,065	2,972
1975 *1*	1,011	263	11	737	3,255	2,487	214	554	−2,244	1,527
2										

[1] Comprises gross domestic fixed capital formation, and increase in value of stocks and work in progress.
[2] This is equal to the sum of the surpluses on current and capital accounts, with the sign reversed.

Public expenditure 1974


Goods and services
Current expenditure on goods and services
Gross domestic capital formation
Net lending to private sector and overseas
Debt interest
Subsidies and transfers

Public sector receipts 1974


Taxation
Taxes on income and capital
Taxes on expenditure (including local authority rates)
National insurance, etc. contributions
Gross trading surplus
Rent, interest and dividends; financial transactions
Borrowing requirement

Sector financial accounts

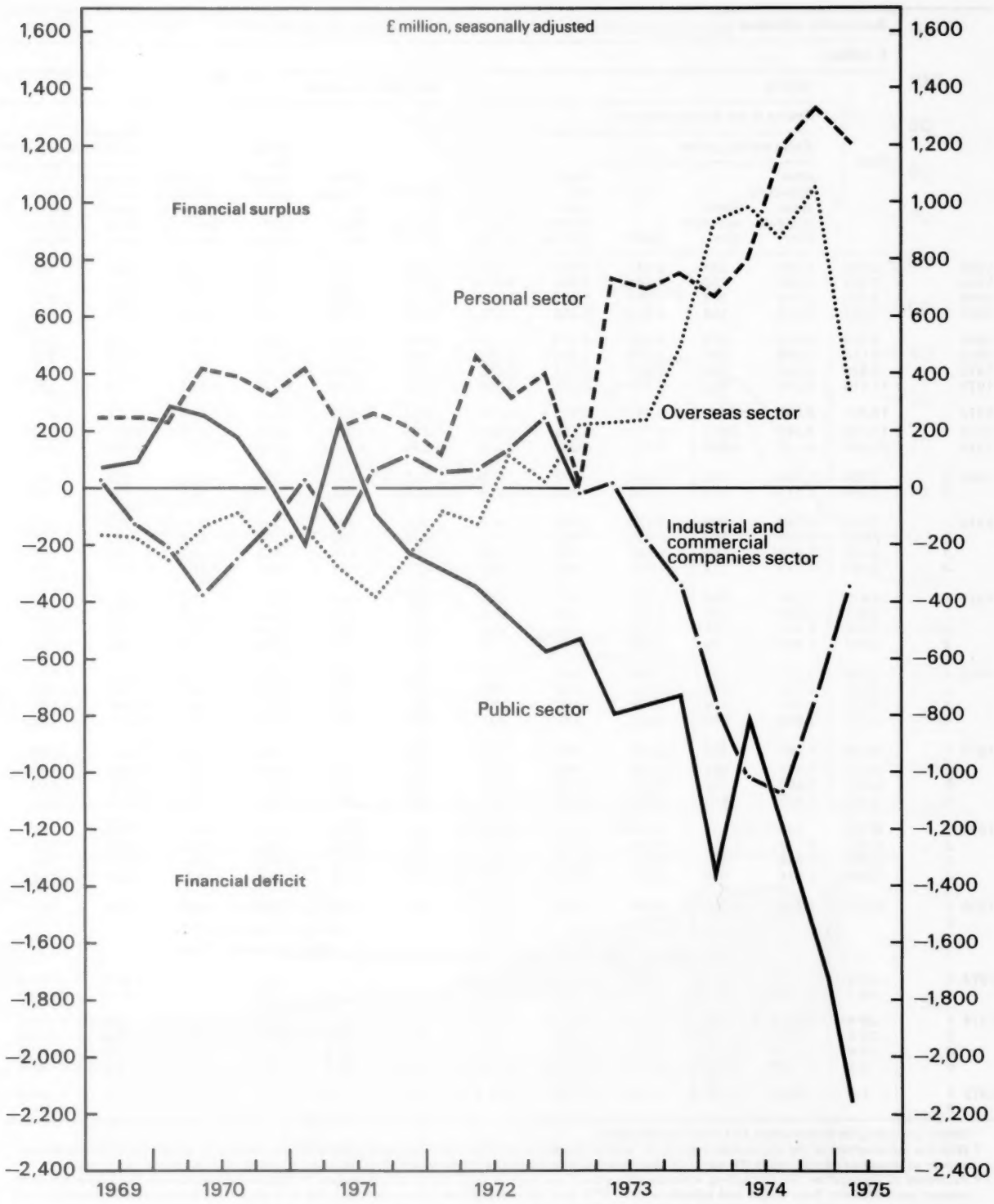
Seasonally adjusted

£ million

	Public sector[1]			Financial companies			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1972	3,038	42	4,762	511	−51	623	4,831	380	4,717
1973	2,960	− 35	5,753	844	−51	971	6,960	347	7,846
1974	2,240	− 51	7,344	1,512	−66	1,177	7,504	333	11,486
1970 *3*	1,259	− 20	1,059	81	−16	174	791	119	1,158
4	1,183	− 41	1,139	94	−16	133	914	144	1,184
1971 *1*	1,098	−106	1,206	113	−14	134	1,000	182	1,153
2	1,392	− 39	1,117	109	−13	133	806	140	1,103
3	1,050	− 32	1,112	135	−12	144	972	132	1,043
4	962	− 5	1,188	95	−11	125	955	102	947
1972 *1*	854	− 1	1,145	95	−12	133	997	116	1,060
2	850	11	1,212	115	−12	123	1,039	97	1,074
3	700	21	1,181	163	−13	198	1,284	80	1,230
4	634	11	1,224	138	−14	169	1,511	87	1,353
1973 *1*	896	− 27	1,405	188	−12	196	1,613	94	1,726
2	604	− 17	1,382	166	−13	230	1,624	80	1,689
3	697	− 1	1,456	215	−13	280	1,804	97	2,091
4	763	10	1,510	275	−13	265	1,919	76	2,340
1974 *1*	387	13	1,770	366	−16	273	2,001	94	2,839
2	929	− 29	1,736	354	−16	279	1,898	84	3,083
3	573	− 28	1,776	388	−17	293	1,775	75	2,919
4	351	− 7	2,062	404	−17	332	1,830	80	2,645
1975 *1*	211	6	2,376	432	−17	259	2,024	103	2,476
2									

	Personal sector			Net acquisition of financial assets[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1972	4,466	−371	2,800	−1,682	−163	494	1,295	− 82	138
1973	5,728	−320	3,224	−2,828	−178	− 539	2,184	1,172	189
1974	7,258	−291	2,972	−5,155	269	−3,649	3,995	3,846	694
1970 *3*	868	− 83	393	180	−109	− 248	392	− 84	−131
4	814	− 87	392	3	− 55	− 126	335	− 221	64
1971 *1*	936	− 62	448	− 214	− 35	29	426	− 138	− 68
2	835	− 88	529	236	− 37	− 157	218	− 285	25
3	895	− 88	548	− 94	− 21	61	259	− 385	180
4	931	− 86	622	− 231	− 41	110	223	− 244	183
1972 *1*	869	−103	647	− 292	− 50	53	119	− 85	255
2	1,267	− 96	710	− 351	− 20	62	461	− 123	− 29
3	1,074	− 88	669	− 460	− 48	134	317	109	− 52
4	1,256	− 84	774	− 579	− 45	245	398	17	− 36
1973 *1*	956	− 93	852	− 536	− 20	− 19	11	222	342
2	1,561	− 69	758	− 795	− 77	15	734	228	−105
3	1,594	− 84	816	− 760	− 78	− 190	694	231	103
4	1,617	− 74	798	− 737	− 3	− 345	745	491	−151
1974 *1*	1,511	− 91	749	−1,370	77	− 744	671	935	431
2	1,653	− 68	786	− 836	59	−1,101	799	984	95
3	1,982	− 70	715	−1,231	78	−1,069	1,197	870	155
4	2,112	− 62	722	−1,718	55	− 735	1,328	1,057	13
1975 *1*	2,085	− 92	777	−2,159	156	− 349	1,216	342	794
2									

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation, stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation, and increase in value of stocks and work in progress.
[4] This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation *less* increase in value of stocks and work in progress.
[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
[6] The residual error in the national income accounts.


£ million, seasonally adjusted
1,600
1,400
1,200
1,000
800
600
400
200
0
−200
−400
−600
−800
−1,000
−1,200
−1,400
−1,600
−1,800
−2,000
−2,200
−2,400
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
1969
1970
1971
1972
1973
1974
1975

Appropriation account of companies

Seasonally adjusted

£ million

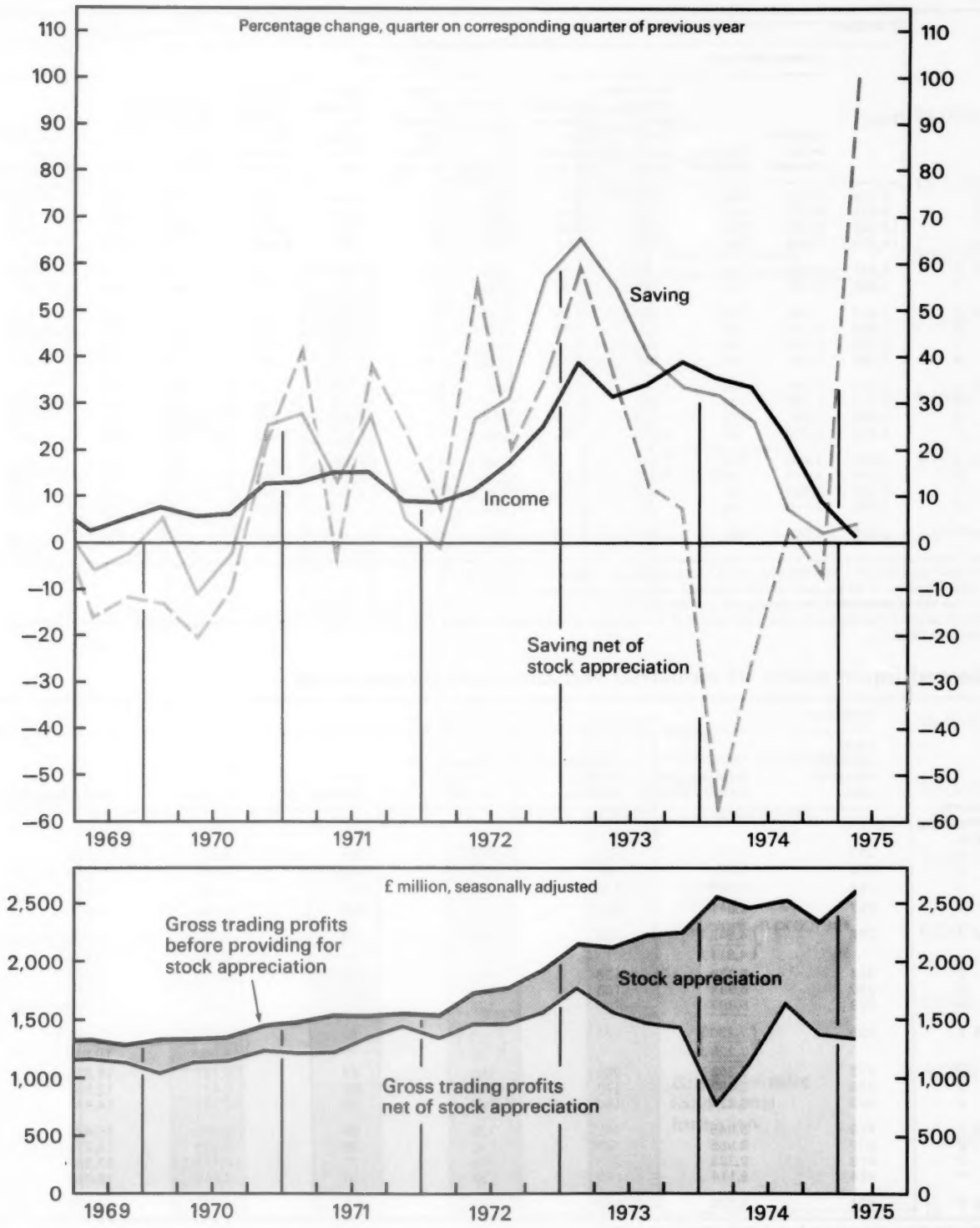
	Income						Allocation of income					
		Arising in the United Kingdom										
		Gross trading profits									Balance: undistributed income[4]	
	Total	After deducting stock appreciation	Stock appreciation	Total[1]	Rent and non-trading income	From abroad	Dividends on ordinary shares[2]	Other interest payments, etc.[2]	Profits due abroad and taxes paid abroad	Payments of United Kingdom taxes on income[3]	Industrial and commercial companies	Financial companies
1964	6,876	4,303	241	4,544	1,051	1,281	1,396	799	731	753	3,041	156
1965	7,358	4,485	256	4,741	1,206	1,411	1,624	959	790	703	3,071	211
1966	7,267	4,306	304	4,610	1,322	1,335	1,548	1,195	715	719	2,877	213
1967	7,537	4,509	154	4,663	1,468	1,406	1,499	1,303	783	1,009	2,700	243
1968	8,726	4,810	465	5,275	1,723	1,728	1,492	1,499	1,080	1,102	3,298	255
1969	9,114	4,558	601	5,159	1,903	2,052	1,601	1,741	1,128	1,177	3,249	218
1970	9,836	4,539	908	5,447	2,134	2,255	1,453	1,890	1,355	1,567	3,274	297
1971	11,119	5,215	862	6,077	2,454	2,588	1,621	2,024	1,735	1,554	3,733	452
1972	12,841	5,837	1,110	6,947	2,934	2,960	1,613	2,280	2,127	1,479	4,831	511
1973	17,425	6,246	2,503	8,749	4,194	4,482	1,695	3,333	2,877	1,716	6,960	844
1974	21,678	4,945	4,920	9,865	5,288	6,525	1,538	4,357	4,456	2,311	7,504	1,512
1969 *3*	2,300	1,180	135	1,315	477	508	382	447	296	274	856	45
4	2,308	1,117	172	1,289	491	528	437	452	290	320	731	78
1970 *1*	2,368	1,040	283	1,323	504	541	322	455	307	408	827	49
2	2,433	1,126	207	1,333	528	572	402	468	340	408	742	73
3	2,438	1,154	185	1,339	540	559	356	475	355	380	791	81
4	2,597	1,219	233	1,452	562	583	373	492	353	371	914	94
1971 *1*	2,673	1,200	275	1,475	578	620	387	501	396	276	1,000	113
2	2,801	1,208	331	1,539	604	658	407	505	441	533	806	109
3	2,809	1,362	161	1,523	631	655	415	506	439	342	972	135
4	2,836	1,445	95	1,540	641	655	412	512	459	403	955	95
1972 *1*	2,906	1,341	197	1,538	667	701	438	507	495	374	997	95
2	3,107	1,471	239	1,710	704	693	477	537	499	440	1,039	115
3	3,291	1,467	314	1,781	766	744	403	588	545	308	1,284	163
4	3,537	1,558	360	1,918	797	822	295	648	588	357	1,511	138
1973 *1*	4,028	1,784	379	2,163	927	938	534	712	643	338	1,613	188
2	4,083	1,571	554	2,125	982	976	513	774	646	360	1,624	166
3	4,409	1,463	752	2,215	1,075	1,119	356	862	711	461	1,804	215
4	4,905	1,428	818	2,246	1,210	1,449	292	985	877	557	1,919	275
1974 *1*	5,452	787	1,771	2,558	1,278	1,616	414	1,025	1,121	525	2,001	366
2	5,452	1,138	1,328	2,466	1,318	1,668	366	1,076	1,183	575	1,898	354
3	5,416	1,646	862	2,508	1,326	1,582	414	1,122	1,057	660	1,775	388
4	5,358	1,374	959	2,333	1,366	1,659	344	1,134	1,095	551	1,830	404
1975 *1*	5,537	1,336	1,264	2,600	1,399	1,538	399	1,102	1,046	534	2,024	432
2												
	Percentage change, quarter on corresponding quarter of previous year											
1973 *3*	*+34·0*	*− 0·3*	*+139·5*	*+24·4*	*+40·3*	*+50·4*	..	..	*+30·5*	..	*+40·5*	*+ 31·9*
4	*+38·7*	*− 8·3*	*+127·2*	*+17·1*	*+51·8*	*+76·3*	..	..	*+49·1*	..	*+27·0*	*+ 99·3*
1974 *1*	*+35·4*	*−55·9*	*+367·3*	*+18·3*	*+37·9*	*+72·3*	..	..	*+74·3*	..	*+24·1*	*+ 94·7*
2	*+33·5*	*−27·6*	*+139·7*	*+16·0*	*+34·2*	*+70·9*	*−28·7*	*+39·0*	*+83·1*	*+59·7*	*+16·9*	*+113·3*
3	*+22·8*	*+12·5*	*+ 14·6*	*+13·2*	*+23·3*	*+41·4*	*+16·3*	*+30·2*	*+48·7*	*+43·2*	*− 1·6*	*+ 80·5*
4	*+ 9·2*	*− 3·8*	*+ 17·2*	*+ 3·9*	*+12·9*	*+14·5*	*+17·8*	*+15·1*	*+24·9*	*− 1·1*	*− 4·6*	*+ 46·9*
1975 *1*	*+ 1·6*	*+69·8*	*− 28·6*	*+ 1·6*	*+ 9·5*	*− 4·8*	*− 3·6*	*+ 7·5*	*− 6·7*	*+ 1·7*	*+ 1·1*	*+ 18·0*
2												

[1] Before providing for depreciation and stock appreciation.

[2] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax, appear as actual payments, while the advance corporation tax in respect of those dividends is included in United Kingdom taxes on income.

[3] Payments of corporation tax (including advance corporation tax from 6 April 1973) *less* increases in balance of deductions of income tax, from interest payments and from wages and salaries under PAYE, over payments to the Inland Revenue. Up to 5 April 1973 the balance of deductions of income tax from dividends over payments to the Inland Revenue is also deducted. In the first quarter of 1975 the amount of advance corporation tax included was £194 million, as well as £97 million of ACT addition.

[4] Before providing for depreciation, stock appreciation and additions to reserves.


Percentage change, quarter on corresponding quarter of previous year
110
100
90
80
70
60
50
40
30
20
10
0
−10
−20
−30
−40
−50
−60
Saving
Income
Saving net of stock appreciation
1969
1970
1971
1972
1973
1974
1975
£ million, seasonally adjusted
2,500
2,000
1,500
1,000
500
0
Gross trading profits before providing for stock appreciation
Stock appreciation
Gross trading profits net of stock appreciation

Sources and uses of capital funds of industrial and commercial companies

£ million

	Sources of funds						Uses of funds					
	Total	Undistributed income[1]	Capital transfers	Bank borrowing[2], loans and mortgages	UK capital issues by listed companies (net)	Overseas[3]	Taxes on capital and capital transfers	Gross domestic fixed capital formation	Increase in value of stocks and work in progress	Acquisition of financial assets: Liquid assets[4]	Acquisition of financial assets: Other	Unidentified items (residual)
1971	6,719	3,733	595	1,011	375	1,005	39	3,468	778	1,148	933	353
1972	9,924	4,831	409	3,143	616	925	29	3,818	899	2,339	1,861	978
1973	14,449	6,960	373	5,307	158	1,651	26	4,831	3,015	2,664	3,167	746
1974	14,228	7,504	364	4,433	– 13	1,940	31	5,951	5,535	– 19	2,841	– 111
1971 *3*	1,631	1,095	142	53	94	247	6	878	125	329	– 10	303
4	1,955	1,242	112	271	128	202	6	929	105	664	664	– 413
1972 *1*	1,922	465	126	988	128	215	18	858	124	– 123	402	643
2	2,489	1,154	99	906	189	141	3	934	165	754	682	– 49
3	2,215	1,372	90	288	167	298	4	919	263	692	368	– 31
4	3,298	1,840	94	961	132	271	4	1,107	347	1,016	409	415
1973 *1*	2,888	1,231	102	1,201	33	321	15	1,087	561	223	768	234
2	2,977	1,687	81	694	80	435	4	1,119	593	375	566	320
3	3,592	1,832	108	1,328	19	305	4	1,208	839	1,247	399	– 105
4	4,992	2,210	82	2,084	26	590	3	1,417	1,022	819	1,434	297
1974 *1*	3,941	1,660	104	1,467	– 6	716	16	1,280	1,437	– 381	632	957
2	3,738	2,077	83	1,213	– 13	378	3	1,407	1,695	208	191	234
3	3,294	1,688	88	986	14	518	6	1,538	1,340	132	712	– 434
4	3,255	2,079	89	767	– 8	328	6	1,726	1,063	22	1,306	– 868
1975 *1*	3,030	1,745	120	869	16	280	20	1,567	807	77	797	– 238
2												

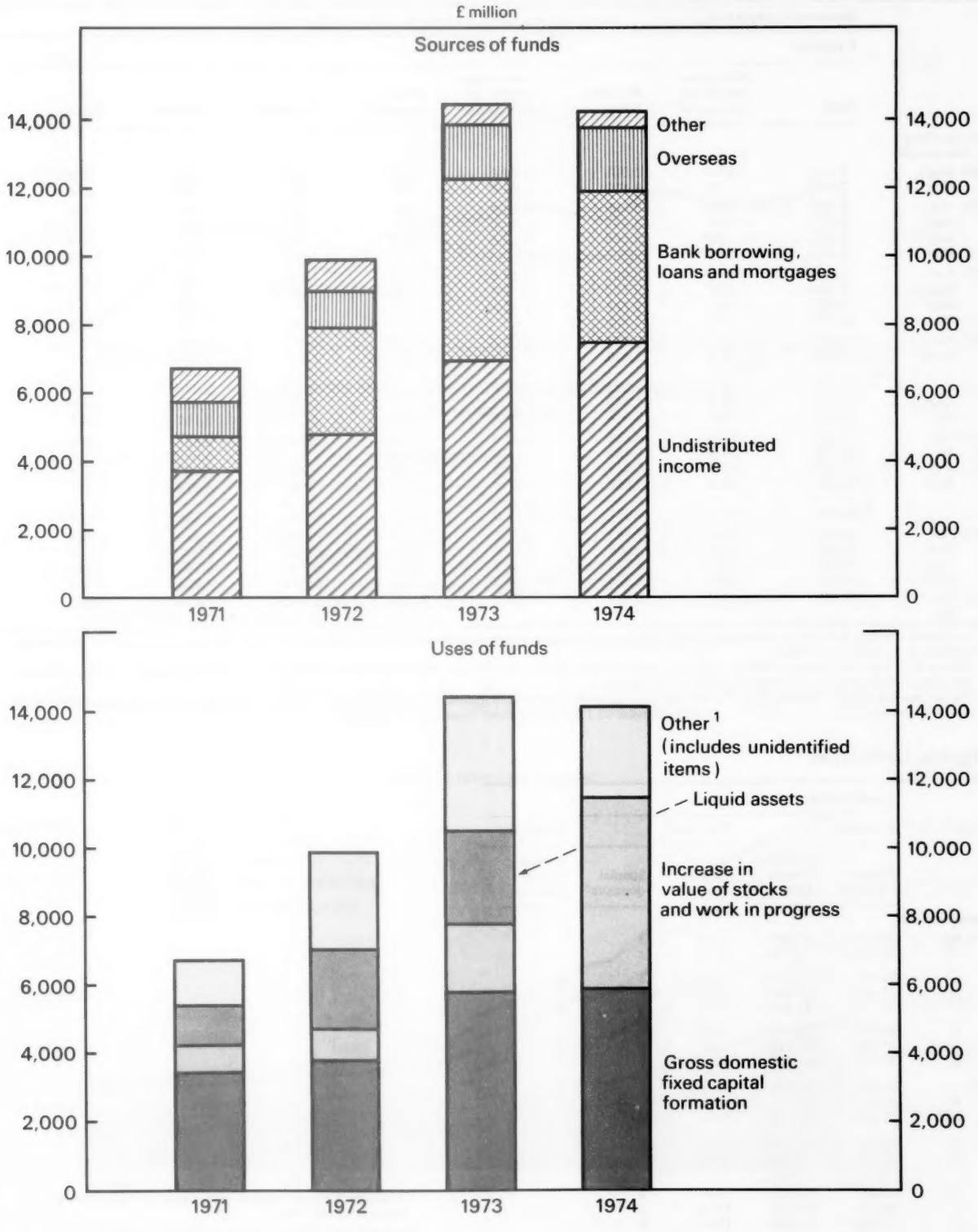
[1] Before providing for depreciation, stock appreciation and additions to reserves.
[2] After addition of 40 per cent of the excess of debit over credit transit items.
[3] Other than investments included in UK capital issues.
[4] Bank deposits are included after subtraction of 60 per cent of the excess of debit over credit transfer items; includes tax deposit accounts from 2nd quarter 1973.

Selected liquid assets of industrial and commercial companies

£ million

Amounts outstanding at end:	Local authority temporary debt	Deposits with banking sector[1,2]	Deposits with building societies	Deposits with finance houses[1]	Other identified[1,3]	Total identified[1]	Bank advances[1,4]
1971 *1*	217	3,716	71	279	180	4,463	6,212
2	225	3,801	85	289	184	4,584	6,355
3	258	4,048	105	320	204	4,935	6,167
4	257	4,541	140	294	258	5,490	6,431
1972 *1*	276	4,642 / 4,817	168	256 / 101	178 / 173	5,520 / 5,535	7,235 / 7,606
2	314	5,333	188	113	157	6,105	8,688
3	350	5,993	188	122	157	6,810	8,960
4	359	6,897	188	136	157	7,737	9,730
1973 *1*	395	7,230 / 7,225	183	164 / 162	88	8,060 / 8,053	10,551 / 10,649
2	472	7,202	200	166	87	8,127	11,370
3	488	8,487	175	186	85	9,421	12,561
4	483	9,230	160	169	85	10,127	14,421
1974 *1*	519	9,048	149	133	55	9,904	15,423
2	509	8,985	149	140	55	9,838	16,772
3	518	9,223	149	104	175	10,169	17,387
4	484	9,114	149	97	100	9,944	18,019
1975 *1*	424	9,339	149	114	57	10,083	18,316

[1] The breaks in series result from further information regarding holdings by sector and changes to the banking and finance houses sectors.
[2] From 2nd quarter 1973 includes identified holdings of dollar certificates of deposit.
[3] Treasury bills, tax reserve certificates and tax deposit accounts.
[4] Including refinanceable export and shipbuilding credits with effect from mid-May 1972.


£ million
Sources of funds
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
1971
1972
1973
1974
Other
Overseas
Bank borrowing, loans and mortgages
Undistributed income
Uses of funds
Other [1] (includes unidentified items)
Liquid assets
Increase in value of stocks and work in progress
Gross domestic fixed capital formation

Bank advances to United Kingdom residents by banks in Great Britain[1]

	Seasonally adjusted							
	£ million							
	Total	*Percentage change on year earlier*[3]	Manufacturing	*Percentage change on year earlier*[3]	Other production	Financial	Services	Personal
Outstanding at mid-month								
1969 *Aug*	7,747	*+12·0*	2,981	*+24·0*	986	968	1,910	902
Nov	7,659	*+ 8·0*	3,102	*+25·6*	994	931	1,758	874
1970 *Feb*	7,786	*+ 5·3*	3,145	*+16·9*	998	950	1,815	878
May	8,172	*+ 7·3*	3,442	*+20·2*	1,041	973	1,785	931
Aug	8,491	*+ 9·6*	3,596	*+20·6*	1,081	986	1,850	978
Nov	8,664	*+13·1*	3,704	*+19·4*	1,107	1,015	1,835	1,003
1971 *Feb*	9,108	*+17·0*	3,892	*+23·8*	1,109	1,114	1,956	1,037
May	9,344	*+14·3*	3,772	*+ 9·6*	1,145	1,281	2,039	1,107
Aug	9,527	*+12·2*	3,726	*+ 3·6*	1,195	1,317	2,086	1,203
Nov	10,173	*+17·4*	3,705	—	1,282	1,547	2,241	1,398
1972 *Feb*	10,855	*+19·2*	3,730	*− 4·2*	1,316	1,817	2,361	1,631
May[2]	12,383	*+32·5*	3,930	*+ 4·2*	1,467	2,411	2,597	1,978
	13,278	*+32·5*	4,622	*+ 4·2*	1,577	2,455	2,646	1,978
Aug	14,841	*+46·2*	4,915	*+11·3*	1,717	2,986	2,881	2,342
Nov	16,010	*+48·4*	5,014	*+14·6*	1,880	3,346	3,151	2,619
1973 *Feb*	17,929	*+56·8*	5,555	*+28·3*	2,024	3,847	3,609	2,894
May	18,324	*+38·0*	5,462	*+18·2*	2,144	4,112	3,510	3,096
Aug	20,942	*+41·1*	5,941	*+20·9*	2,385	4,766	4,463	3,387
Nov[1]	22,832	*+42·6*	6,566	*+31·0*	2,526	5,400	4,879	3,461
	24,829	*+42·6*	6,681	*+31·0*	2,900	5,965	5,218	4,065
1974 *Feb*	26,645	*+37·4*	7,183	*+27·2*	3,157	6,600	5,740	3,965
May	28,041	*+42·0*	7,864	*+41·9*	3,394	6,608	6,261	3,914
Aug[4]	29,674	*+32·1*	8,772	*+45·7*	3,582	6,951	6,394	3,975
Nov	30,907	*+24·5*	9,374	*+40·3*	3,560	6,944	7,004	4,025
1975 *Feb*	31,419	*+17·9*	9,675	*+34·7*	3,556	6,870	7,324	3,994
May								

[1] Advances made by the six finance houses recognised or confirmed as banks in January 1972 and January 1973 are only included from the second set of figures for November 1973.

[2] Before and after the transfer of £734 million of certain export and shipbuilding credits from Sterling bills discounted to Advances to UK residents, and certain other upward revisions totalling £178 million.

[3] Percentage change on year earlier is shown after deducting the amounts in footnotes [1] and [2] from the three subsequent quarters following May 1972 and November 1973.

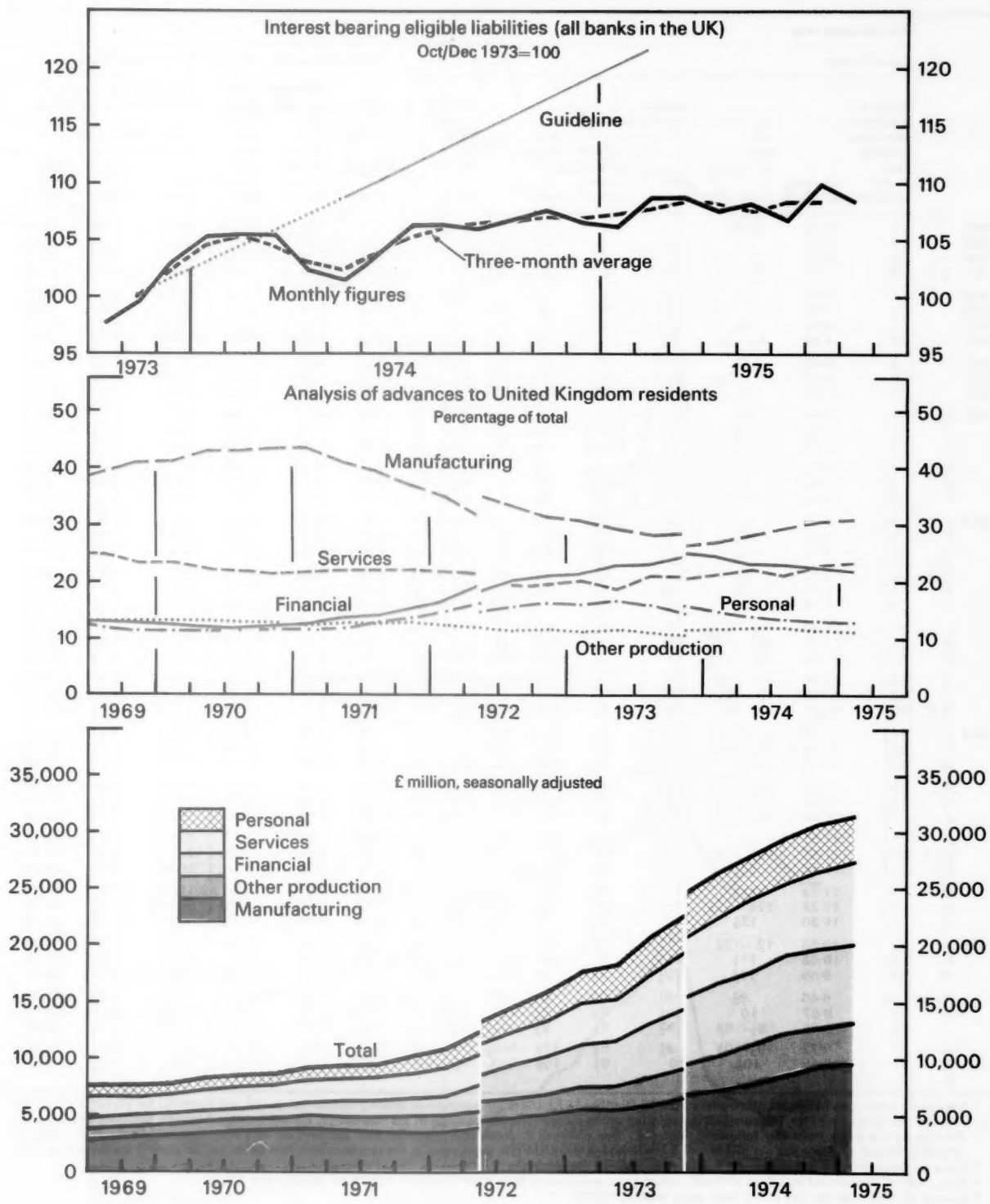
[4] After transfer of £95 million from 'financial' to 'personal'.

Eligible liabilities

	Unadjusted				
	£ million		Per cent		£ million
	Eligible liabilities	*of which:* Interest bearing[1]	Reserve ratio	Special deposits[2]	Supplementary deposits
At mid-month					
1974 *M*	29,628	20,881	13·6	3	..
J	30,038	21,288	13·5	3	..
J	30,837	21,831	13·4	3	6
A	30,856	21,844	13·6	3	1
S	30,752	21,808	13·6	3	2
O	31,219	21,983	13·4	3	1
N	31,454	22,110	13·6	3	2
D	31,527	21,922	13·6	3	1
1975 *J*	31,603	21,851	13·8	3	2
F	31,857	22,342	13·5	3	—
M	32,054	22,341	13·8	3	..
A	32,322	22,135	13·7	3	..
M	32,600†	22,234†	13·7	3	..
		22,575			
J	32,382	22,333	14·6	3	..
J	33,212	23,003	15·0	3	..
A	33,049	22,635	15·1	3	..

[1] Banks in Northern Ireland were excluded up to the first figure for May 1975.

[2] Not yet applicable to banks in Northern Ireland.


Interest bearing eligible liabilities (all banks in the UK)
Oct/Dec 1973=100
Guideline
Three-month average
Monthly figures
120
115
110
105
100
95
1973
1974
1975
Analysis of advances to United Kingdom residents
Percentage of total
Manufacturing
Services
Financial
Personal
Other production
50
40
30
20
10
0
1969
1970
1971
1972
1973
1974
1975
£ million, seasonally adjusted
Personal
Services
Financial
Other production
Manufacturing
Total
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0

Interest rates, security prices and yields

Percentage rate

		Last Friday							Last working day		Average of working days			
		Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	London clearing banks		Inter-bank (3 month rate)[5]	Sterling certificates of deposit (3 months)	Interest on US$ deposits in London (3 months)[6]	Building Societies Association recommended rate on shares[7]	British government securities 2½% Consols yield	*Financial Times* index of industrial ordinary shares		
					Base rate	Deposit account: 7 days' notice[4]						1 July 1935=100		
												Price index	Dividend yield	Earnings yield[8]
1964		7	6·74	7⅞–7¾	7	5	7¾ – 7⅞	..	4·50	3·50	6·03	346·9	4·96	7·36
1965		6	5·60	6⅞	6	4	6½ – 6⅝	..	5·25	4·00	6·42	337·3	5·74	9·12
1966		7	6·64	7¼– 7⅜	7	5	7⅜– 7⅜	..	6·56	4·25	6·80	331·9	5·98	8·52
1967		8	7·63	7⅜– 7⅝	8	6	8 1/16– 8 3/16	..	6·31	4·25	6·69	355·0	5·36	6·69
1968		7	6·89	7¾	7	5	7 13/16– 8	7⅝ – 7 15/16	7·13	4·50	7·39	463·3	4·05	4·99
1969		8	7·80	9 – 9 1/16	8	6	9⅜ – 9½	9⅛ – 9¼	10·06	5·00	8·88	419·8	4·43	5·82
1970		7	6·93	7¼	7	5	7¼ – 7¼	7 3/16– 7 5/16	6·56	5·00	9·16	361·0	4·75	6·54
1971		5	4·46	4½– 4⅝	4½	2½	4⅝ – 4¾	4⅝ – 4¾	5·75	5·00	9·05	386·2	4·76	6·21
1972		9	8·48	8¾	7½	5¾	8 7/16 – 9 1/16	8 1/16– 9 1/16	5·91	5·25	9·11	503·8	3·26	4·98
1973		13	12·82	16 –18⅛	13	9½	16 1/16–16 5/16	15⅞ –16	10·19	7·50	10·85	435·6	4·12	..
1974		11½	11·30	13¼	12	9½	12 1/32–12 1/16	12⅛ –12¼	10·06	7·50	14·95	251·2	8·23	21·47
1972	*J*	6	5·85	8⅜	6¾–7	5¼–5½	8½ – 8¾	8¼ – 8⅜	5·66	4·75	9·35	502·7	3·23	4·92
	A	6	5·91	7⅞	6¾–7	5¼–5½	7 15/16– 7 15/16	7 7/16– 7 5/16	5·50	4·75	9·46	524·4	3·12	4·77
	S	6	6·74	7½	7	5¼–5½	7 7/16– 7⅝	7½ – 7⅝	5·94	4·75	9·58	492·4	3·32	5·09
	O	7½	7·01	7⅝	7	5¼–5½	7⅝ – 7 13/16	7⅞ – 8	6·03	5·25	9·59	481·5	3·40	5·35
	N	7½	7·06	7⅞	7	5¼–5½	8¼ – 8½	8¼ – 8½	6·00	5·25	9·58	491·6	3·33	5·36
	D	9	8·48	8½	7½	5¾	8⅝ – 9¼	8 1/16– 9 1/16	5·91	5·25	9·71	508·4	3·21	5·17
1973	*J*	8¾	8·29	9⅜	8½	6¾	9⅜ – 9⅞	9⅜ – 9⅞	6·63	5·25	9·79	489·9	3·32	5·36
	F	8¾	8·23	10⅛	9½	7¾	10⅛ –10⅜	10⅛ –10⅜	8·44	5·60	9·89	453·6	3·55	..
	M	8½	8·10	10¼	9½	7¾	9 13/16–10	9⅞ – 9⅞	8·69	5·60	10·16	445·5	3·61	7·30
	A	8½	7·82	9½	9	7¼	9 7/16– 9⅝	9¼ – 9⅜	8·25	6·30	10·23	464·1	3·53	7·29
	M	7¾	7·33	9⅜	8½	6¾	9 1/16– 9¼	9¼ – 9¼	8·63	6·75	10·34	457·4	3·77	8·17
	J	7½	7·08	8⅛	8	6¼	7 15/16– 8 1/16	8 1/16– 8 3/16	9·06	6·75	10·38	464·9	3·91	8·68
	J	11½	11·20	10½ –11⅜	8	6¼	11¼ –11⅜	11⅜ –11⅞	11·47	6·75	10·84	431·2	4·35	9·66
	A	11½	11·28	13⅜ –13⅞	11	9½	14⅜ –14⅝	14¼ –14⅜	11·56	6·75	11·37	422·8	4·46	9·97
	S	11½	11·25	13⅜ –13½	11	9½	13 3/16–13½	13¼ –13 7/16	10·47	6·75	11·60	418·0	4·53	10·13
	O	11¼	10·96	13 –13⅛	11	9½	12 13/32–13	12 13/32–12 15/32	9·19	7·50	11·31	434·7	4·34	9·81
	N	13	12·85	15 –15¼	13	9½	15½ –15 11/16	15⅝ –15¾	10·47	7·50	11·89	401·5	4·73	10·68
	D	13	12·82	16 –16⅛	13	9½	16 1/16–16 5/16	15¾ –16	10·19	7·50	12·38	329·9	5·72	12·87
1974	*J*	12¾	12·40	16 –16⅛	13	9½	16 1/16–16 5/16	16⅛ –16⅜	8·88	7·50	12·79	324·8	5·83	13·30
	F	12½	12·18	14½–14¾	13	9½	14¼ –14 7/16	14¼ –14⅜	8·63	7·50	13·49	316·5	5·84	13·77
	M	12½	12·35	16	13	9½	15⅜ –15⅝	15⅝ –15¾	10·00	7·50	13·84	297·5	6·17	15·15
	A	12	11·82	13½–13¾	12½	9½	13 7/16–13⅜	13 5/16–13 11/16	11·69	7·50	14·61	290·0	6·40	16·33
	M	11¾	11·54	12⅞–13	12	9½	12 11/16–12⅞	12¾ –12⅞	11·88	7·50	14·11	296·6	6·67	17·21
	J	11¾	11·56	13¼–13½	12	9½	13⅛ –13½	13 7/16–13 5/16	13·50	7·50	14·73	267·5	7·49	19·35
	J	11¾	11·51	13⅜	12	9½	13⅜ –13 5/16	13 7/16–13 5/16	13·56	7·50	15·13	254·8	7·81	20·74
	A	11¾	11·57	12⅝ –12¾	12	9½	12½ –12⅝	12½ –12⅝	13·94	7·50	15·65	222·9	8·91	23·94
	S	11½	11·29	12¼	12	9½	11 13/16–12¼	11⅞ –12	12·19	7·50	15·14	203·5	9·86	26·37
	O	11½	11·19	11¾	12	9½	11½ –11¾	11 9/16–11 11/16	10·12	7·50	15·93	199·4	10·12	27·16
	N	11½	11·29	12¾ –12⅞	12	9½	12½ –12¾	12 9/16–12 11/16	10·62	7·50	16·89	181·0	11·09	30·10
	D	11½	11·30	13¼	12	9½	12½ –12 13/16	12⅝ –12¾	10·06	7·50	17·10	160·1	12·59	34·19
1975	*J*	11	10·58	12 –12¼	11½	9½	11¾ –12	11 13/16–11 15/16	7·44	7·50	16·03	183·7	10·99	30·28
	F	10½	10·08	11½	11½	9	10⅜ –11	10⅜ –10⅞	7·31	7·50	14·94	262·6	7·56	21·66
	M	10	9·59	10½	10½	7½	9⅞ –10 1/16	9⅞ –10	6·97	7·50	13·92	292·6	6·80	20·35
	A	9¾	9·46	9¾	9½	6½	9 9/16– 9⅞	9 13/16– 9 15/16	6·94	7·50	14·58	314·9	6·51	19·30
	M	10	9·67	10	9½	6¼	9⅞ –10	9 13/16– 9 15/16	6·06	7·50	15·22	339·0	6·12	18·09
	J	10	9·71	9½– 9⅝	9½	6¼	9⅝ – 9 11/16	9⅝ – 9¾	6·75	7·00	14·70	332·6	6·06	18·07
	J	11	10·72	10½–10⅝	9½	6¼	10⅜ –10 11/16	10½ –10⅝	7·13	7·00	14·06	304·4	6·68	19·62
	A	11	10·66	10½	10	6½	10⅜ –10 9/16	10⅜ –10½	7·50	7·00	14·12	298·3	6·94	19·91
	S									7·00				

[1] Previously known as Bank rate. With effect from 13 October 1972, the Bank's minimum lending rate to the market will normally be ½% higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ¼% above; the rate normally becomes effective, for lending by the Bank, from the following Monday. For changes in Bank rate 1932–72 see *Supplement of definitions and Explanatory notes to Monthly Digest of Statistics.*

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

[3] For a minimim term of 3 months and thereafter at 7 days' notice.

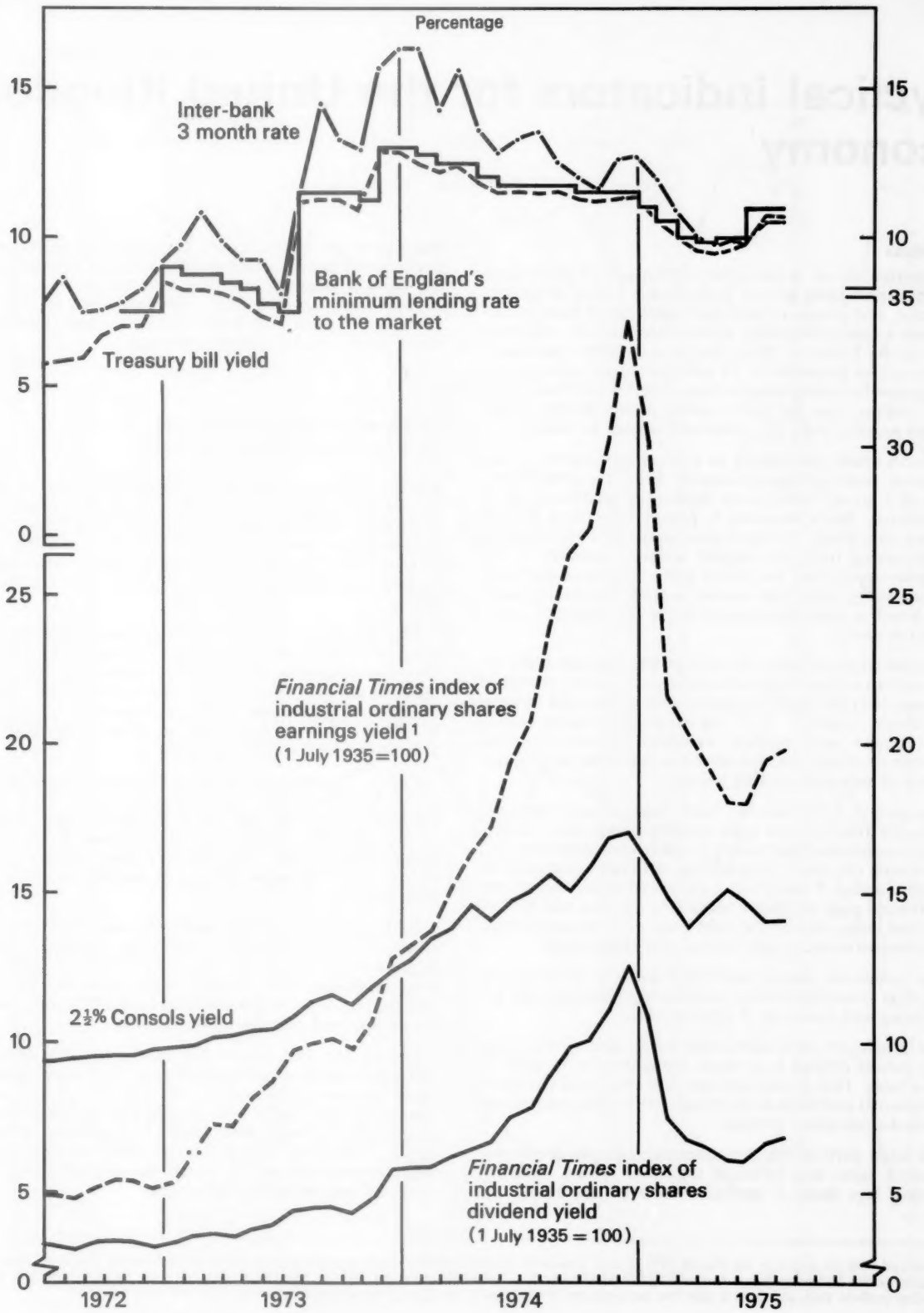
[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

[5] Spread of rates over the day in the inter-bank sterling market.

[6] Middle-closing.

[7] Net of income tax where this is paid by societies at the agreed composite rate.

[8] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Notes and Definitions.* No meaningful average for the month of February is therefore available.



1 No figure available for February 1973

Cyclical indicators for the United Kingdom economy[1]

Definitions

This section shows a reference chronology of peaks and troughs representing growth cycles in the United Kingdom economy, and groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. In the February, May, August and November issues graphs will be presented of 18 indicator series, arranged in four groups by timing classification, together with four composite indices, one for each timing group. In the intermediate months, only the composite indices are shown.

Growth cycles are defined as cyclical movements in the deviations from a long-term trend. Thus, the contraction phase of a growth cycle is not necessarily a contraction of the economy, but a reduction in growth rate below that of the long-term trend. The trend-eliminated series are obtained by subtracting from the original series an estimate of the long-term trend. Over the central part of the series the trend is estimated by a five-year moving average; for the $2\frac{1}{2}$ years at each end a linear regression fitted to the extreme 5 years of data is used.

The historical reference chronology has been obtained by considering evidence of growth cycles in six series: the three estimates of GDP based on expenditure, output and income respectively, together with industrial production, retail sales volume and notified vacancies. Known special economic or climatic factors were discounted in judging the location of reference turning points.

The groups of indicators have been selected because historically their growth cycle turning points have tended to be in a consistent relationship to the reference chronology, and because they have an economic rationale to account for this relationship. Each group is presented in two forms: on the left hand page are shown seasonally adjusted and MCD-smoothed series, and on the right hand page the same series after trend-elimination and inversion if appropriate.

The composite indices are simple averages of indicator series after trend-elimination, amplitude adjustment, MCD-smoothing and inversion if appropriate.

The graphs of trend-eliminated series, and of the composite indices derived from them, show the last $2\frac{1}{2}$ years in pecked lines. This emphasises that this portion of the series is provisional and liable to be revised due to the operation of the trend-elimination process.

The latest parts of the composite index graphs are shown as dotted lines; this indicates the areas where differing reporting lags make it necessary to base the indices on incomplete sets of indicators. These portions of the graphs are included to give whatever information is available about the latest movements, but they must be treated with more caution than the remainder. The comments on the latest movements point out which indicators are affecting the latest values of the composite indices.

Recent movements of the indicators

(data available to 1 September 1975)

During July and August the composite index of longer leading indicators, which had been rising since August 1974, has fallen, whilst the index of shorter leading indicators has continued the downward movement which was first visible in early 1973. Both the coincident composite index and the lagging composite index show further falls for the last period.

Drawing upon data for two of its four components, the index of longer leading indicators in August showed a fall for the second consecutive month. There were falls in both the inverted short-term rate of interest and the *Financial Times* share price index. Although housing starts increased in July, this rise was insufficient to offset the decrease in the composite index noted last month.

In July, the composite index of shorter leading indicators, whose latest movement is based solely on the level of new car registrations, fell again. With information now available on hire-purchase debt in June, the increase in the shorter leading index noted in last month's issue, which was based only on new car registrations and bankruptcies, has now been reversed.

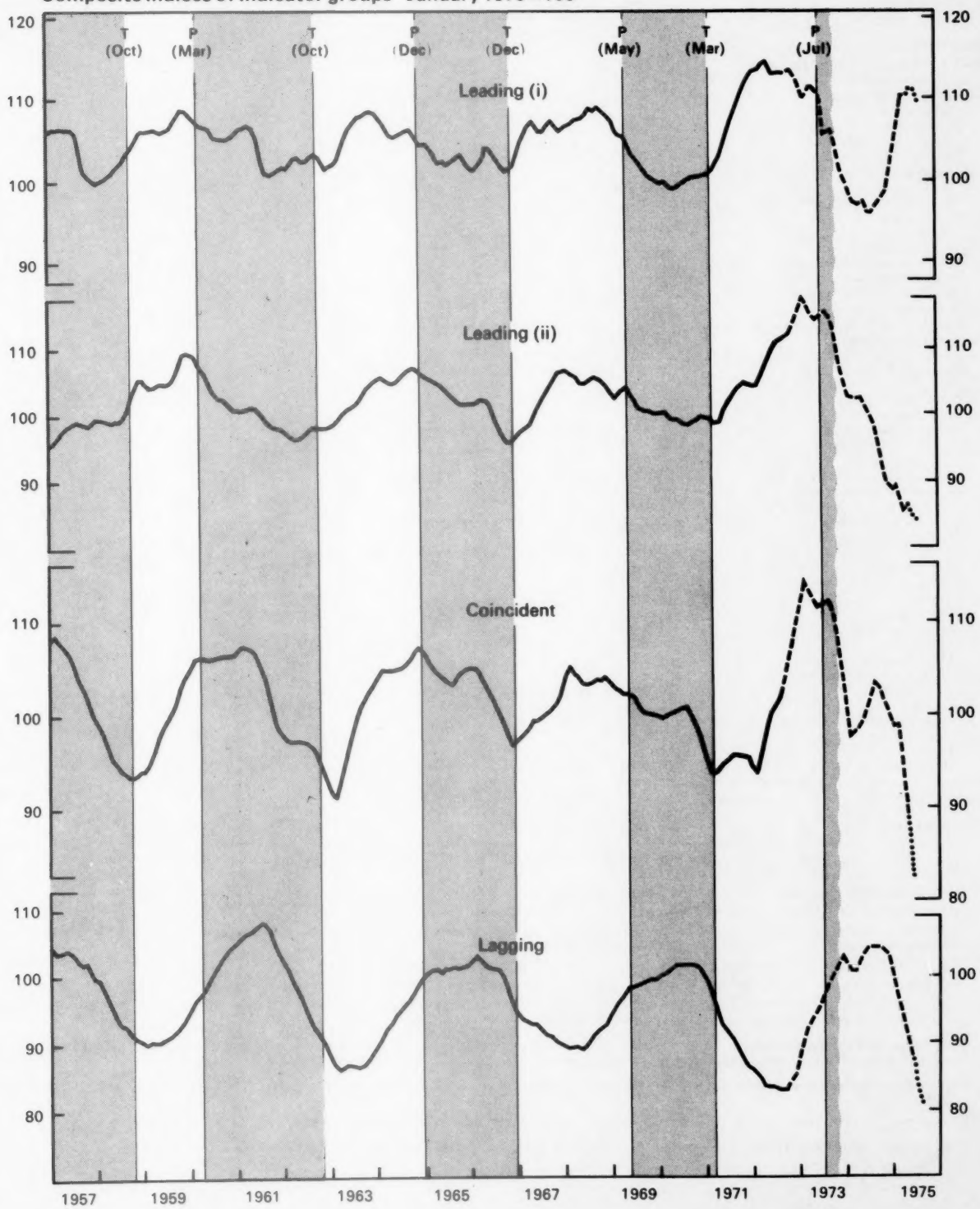
In June, the composite index of coincident indicators, based on three of its five components, decreased sharply. There were falls in the volume of retail sales, manufacturing production and the output based estimate of GDP. Information is not as yet available for GDP based on expenditure data and real disposable income.

During July and August the composite index of lagging indicators, based on unemployment and vacancies, has fallen again, continuing its decline since July 1974. In the second quarter of 1974, there were further falls in manufacturing investment and stock levels and in engineering orders on hand. These data confirm the downward movement of the index during this period, which was originally only based upon the two labour market series.

[1] Introduced with an article in the March 1975 issue of *Economic Trends*. A further eight pages, showing individual indicators, will be published once a quarter in the February, May, August and November issues. The interrupted shading on the charts beginning at the peak in July 1973, is intended to show that, although a date has been selected for the peak, the date of the succeeding trough is as yet undetermined.

Cyclical indicators

Composite indices of indicator groups January 1970=100



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1970 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1963 to 2nd quarter 1973	1·3	0·9	0·8	1·1	2	0·4
Income based	6	" " " " " " "	1·3	0·8	0·9	0·9	1	0·9
Output based	6,28	" " " " " " "	0·9	0·5	0·8	0·6	1	0·6
Average estimate	6	" " " " " " "	1·0	0·7	0·8	0·8	1	0·8
Consumers' expenditure	8,10	" " " " " " "	1·2	0·7	0·8	0·9	1	0·9
Fixed capital formation								
Total	8,16	" " " " " " "	2·4	1·6	1·4	1·2	2	0·5
Manufacturing industry	18	" " " " " " "	3·1	1·9	2·1	0·9	1	0·9
Stockbuilding[2]								
Total	8,22	" " " " " " "	*74·9*	*68·7*	*36·1*	1·9	2	0·7
Manufacturing	22	" " " " " " "	*57·6*	*45·4*	*27·7*	1·6	2	0·6
Exports: goods and services	8	" " " " " " "	3·6	2·6	1·8	1·4	2	0·6
Imports: goods and services	8	" " " " " " "	2·8	1·9	1·7	1·2	2	0·5
Personal disposable income	10	" " " " " " "	1·5	1·0	0·9	1·1	2	0·4
Other national income series								
Gross trading profits of companies	58	" " " " " " "	3·9	2·6	2·5	1·0	2	0·4
Other quarterly series								
Construction output	30	1st quarter 1963 to 4th quarter 1974	2·1	1·2	1·3	0·9	1	0·9
Money stock (M_3)[3]	50	1st quarter 1963 to 4th quarter 1974	2·7	0·5	2·7	0·2	1	0·2
Monthly series								
Retail sales								
Total: current prices	12	January 1961 to August 1974	1·1	0·8	0·6	1·3	2	0·7
Total: constant prices	5,12	" " " " "	0·9	0·9	0·3	3·4	4	0·9
Food shops	12	" " " " "	0·6	0·6	0·2	3·8	5	0·9
Clothing and footwear shops	12	" " " " "	2·1	2·0	0·3	6·0	6	1·0
Durable goods shops	12	" " " " "	1·7	1·5	0·7	2·3	3	0·8
Other non-food shops	12	" " " " "	1·1	1·0	0·4	2·6	3	0·9
Cars: new registrations	5,12	January 1960 to December 1973	6·0	5·4	2·1	2·5	4	0·7
Housing: public authorities[4]								
Starts	20	January 1956 to December 1974	11·8	11·5	1·5	7·5	6	
Completions	20	" " " " "	8·0	7·9	1·1	7·2	6	
Housing: private								
Starts	20	" " " " "	7·9	7·6	2·2	3·5	4	0·9
Completions	20	" " " " "	5·7	5·8	1·0	5·8	6	0·9
Index of industrial production:								
All industries	5,26,28	January 1968 to December 1973	1·0	0·9	0·3	3·5	4	0·9
Manufacturing industries	26	" " " " "	1·0	0·9	0·3	2·9	4	0·7
Passenger car production:								
Home market	32	January 1968 to September 1974	5·9	5·6	1·2	4·8	6	0·8
Export	32	" " " " "	9·0	8·7	1·3	6·9	6	
Commercial vehicle production:								
Home market	32	" " " " "	6·6	6·3	1·1	5·6	6	0·9
Export	32	" " " " "	10·9	10·5	2·4	4·4	5	0·9
Unemployed[5]	5,36	January 1961 to December 1973	*11·5*	*4·5*	*10·4*	0·4	1	0·4
Vacancies notified to employment offices[5]	5,36	" " " " "	*5·6*	*2·5*	*5·0*	0·5	1	0·5
Average earnings	5,40	January 1963 to December 1973	0·8	0·4	0·7	0·6	1	0·6
Exports: value, f.o.b.	5,46	January 1963 to December 1974	5·4	5·1	1·2	4·4	5	0·9
Imports: value, f.o.b.	5,46	" " " " "	4·6	4·2	1·3	3·2	4	0·8

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in the August 1972 issue of *Economic Trends*. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3] and [5].

$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

Articles

Title	Page
United Kindom balance of payments in the second quarter of 1975	70
Structure of company financing	96
Movements in the retail prices index from April 1973 to April 1975	117

United Kingdom balance of payments in the second quarter of 1975

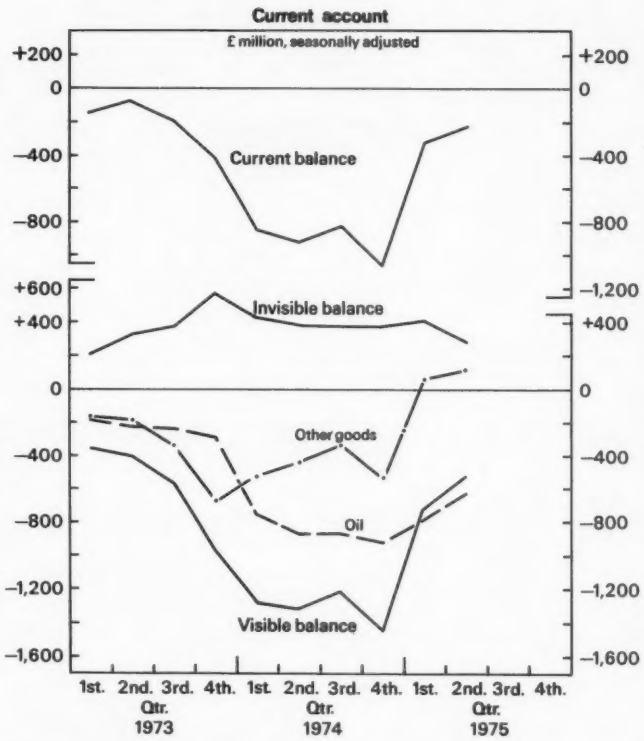
SUMMARY

Current balance (seasonally adjusted)

The current account is estimated to have been in deficit by £235 million in the second quarter, recording a small improvement on the deficit of about £315 million in the first quarter and a substantial gain on the deficits during 1974 which averaged over £900 million a quarter.

There was a significant reduction in the deficit on visible trade which, at £525 million, was around £200 million smaller than in the preceding quarter. The influence of the industrial dispute in the Port of London earlier this year on the recorded figures distorts this comparison and it probably understates the improvement between the quarters. Some two-thirds of the improvement came from a reduction in the deficit on trade in oil and the remaining one-third from an increase in the surplus on non-oil trade.

The surplus on invisibles, estimated at £290 million, was considerably below the level of the first quarter, now put at about £405 million, and the average quarterly level during 1974. In part, the fall in the surplus was due to the timing of receipts from and contributions to, the EEC, the net impact of which had been unusually favourable to the United Kingdom in the preceding quarter and adverse in the second quarter. However, most of the other component accounts also showed some small deterioration in their net balances. Total invisible debits rose substantially in the latest quarter and credits and debits are now of the order



Summary balance of payments

TABLE A

	£ million								
				1974				1975	
	1972	1973	1974	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr
Current account				Seasonally adjusted					
Visible trade: Oil[1]	− 658	− 941	−3,423	−760	− 874	−870	− 919	−781	−641
Other goods	− 32	−1,354	−1,811	−515	− 433	−335	− 528	+ 59	+116
Invisibles	+ 818	+1,460	+1,566	+426	+ 389	+376	+ 375	+406	+290
CURRENT BALANCE	+ 128	− 835	−3,668	−849	− 918	−829	−1,072	−316	−235
Currency flow and official financing				Not seasonally adjusted					
Current balance	+ 128	− 835	−3,668	−983	− 903	−880	− 902	−604	−336
Capital transfers	—	− 59	− 75	—	− 29	− 40	− 6	—	—
Investment and other capital flows	− 711	+ 906	+2,716	+718	+1,205	+625	+ 168	−131	+ 70
Balancing item	− 682	+ 198	+ 462	+226	− 162	+478	− 80	+448	−153
TOTAL CURRENCY FLOW	−1,265	+ 210	− 565	− 39	+ 111	+183	− 820	−287	−419
Allocation of Special Drawing Rights (+)	+ 124	—	—	—	—	—	—	—	—
Total	−1,141	+ 210	− 565	− 39	+ 111	+183	− 820	−287	−419
Financed as follows:									
Net transactions with overseas monetary authorities[2]	+ 449	—	—	—	—	—	—	—	—
Foreign currency borrowing by HM Government[3]	—	—	+ 644	—	—	—	+ 644	+423	—
Official reserves (drawings on, +/additions to, −)[2]	+ 692	− 210	− 79	+ 39	− 111	−183	+ 176	−136	+419

[1] Petroleum and petroleum products.
[2] From July 1972, transactions with the IMF affecting the United Kingdom reserve position in the Fund are included as changes in the official reserves.
[3] Drawings on a euro-dollar facility for HM Government to borrow $2,500 million.

of £2,700 million and £2,400 million a quarter respectively. The credits are now well over one-half of the corresponding value of exports of goods, while the debits are less than one-half of imports of goods.

Investment and other capital flows (not seasonally adjusted)

Identified investment and other capital flows in the quarter resulted in a net inflow of £70 million, following an outflow in the previous quarter now estimated at about £130 million —but see *Note* on page 74 on changes in the reporting by banks to the Bank of England.

Transactions of UK banks in overseas currencies led to a recorded net inflow of some £820 million, including £70 million to finance investment overseas. Overseas investment in the UK public sector amounted to about £210 million but there was only some £15 million overseas net investment in the UK private sector; direct investment in UK affiliates was much smaller than in recent quarters and there was some disinvestment from portfolio holdings of UK securities and from oil and miscellaneous investments. There was little change in the net total of external liabilities in sterling—a decrease of some £260 million in overseas countries' exchange reserves held in sterling was more than offset by an increase of some £285 million in other external banking and money market liabilities in sterling.

The net outflow of UK private investment overseas, at about £730 million, was some £190 million above that in the previous quarter. Direct investment was some £50 million lower, but there was some portfolio investment in overseas securities, in contrast to the disinvestment in recent periods, and a large outflow on oil and miscellaneous investment associated with the repayment of trade credit extended by overseas subsidiaries. Official long-term capital transactions resulted in a net outflow of some £40 million. Provisional estimates of unrelated trade credit and other short-term flows indicate net lending to overseas of some £235 million.

Total currency flow and official financing (not seasonally adjusted)

There was a net currency outflow in the quarter of £419 million. The deficit on current account of £336 million was partly offset by identified investment and other capital inflows of £70 million leaving a negative balancing item, representing errors and omissions including unidentified capital outflows, of £153 million. The net currency outflow was financed by drawing on the official reserves.

DETAIL

Visible trade (seasonally adjusted)

In the second quarter of 1975 the deficit on visible trade was £525 million, a further improvement compared with the deficit of £722 million in the first quarter. Most of the improvement arose from oil trade where the deficit was reduced from £781 million to £641 million between the quarters. In addition the surplus on non-oil trade, which was distorted by industrial disputes in March and April, improved from £59 million to £116 million.

In volume terms total imports and exports both fell by around 7 per cent between the quarters with the reduction in the deficit almost entirely the result of the improvement of 3 per cent in the terms of trade.

Current account

TABLE B

£ million

	1972	1973	1974	1974 1st qtr	1974 2nd qtr	1974 3rd qtr	1974 4th qtr	1975 1st qtr	1975 2nd qtr
Visible trade				Seasonally adjusted					
Exports (f.o.b.): Oil[1]	219	340	696	129	206	193	168	158	150
Other goods	8,921	11,431	15,190	3,434	3,771	4,047	3,938	4,479	4,329
Imports (f.o.b.): Oil[1]	− 877	− 1,281	− 4,119	− 889	−1,080	−1,063	−1,087	− 939	− 791
Other goods	−8,953	−12,785	−17,001	−3,949	−4,204	−4,382	−4,466	−4,420	−4,213
Visible balance	− 690	− 2,295	− 5,234	−1,275	−1,307	−1,205	−1,447	− 722	− 525
Invisibles[2]									
Government services and transfers (net)	− 564	− 798	− 880	− 218	− 221	− 207	− 234	− 197	− 253
Private[3] services and transfers (net)	+ 802	+ 862	+ 1,094	+ 273	+ 300	+ 268	+ 253	+ 295	+ 251
Interest, profits and dividends (net)									
Public sector	− 134	− 195	− 356	− 79	− 91	− 9.	− 95	− 148	− 138
Private sector	+ 714	+ 1,591	+ 1,708	+ 450	+ 401	+ 406	+ 451	+ 456	+ 429
Invisible balance	+ 818	+ 1,460	+ 1,566	+ 426	+ 389	+ 376	+ 375	+ 406	+ 290
Current balance	+ 128	− 835	− 3,668	− 849	− 918	− 829	−1,072	− 316	− 235
Net seasonal influences on current balance	—	—	—	− 134	+ 15	− 51	+ 170	− 288	− 101
				Not seasonally adjusted					
Current balance	+ 128	− 835	− 3,668	− 983	− 903	− 880	− 902	− 604	− 336

[1] Petroleum and petroleum products.
[2] Credits and debits are shown separately in Table D.
[3] Including public corporations.

The value of total exports fell by 3½ per cent between the quarters. Falls in exports to most of the main areas, in particular 11½ per cent to North America, were largely offset by a further rise, of 29 per cent, in exports to oil-exporting countries. Among the main commodity groups, measured on an overseas trade statistics basis, the largest falls were 22 per cent for food, beverages and tobacco and 11½ per cent for chemicals, offset by slight increases in exports of machinery and certain other manufactured goods.

The value of total imports fell by 6½ per cent between the quarters. Among commodity groups, falls were widespread but generally were greater for materials and fuels than for finished manufactures, within which imports of road motor vehicles rose by 22½ per cent on an overseas trade statistics basis.

Invisibles (seasonally adjusted)

The surplus on invisible transactions in the second quarter, estimated at £290 million, was significantly below the surplus in the first quarter, which is now put at £406 million. The main single factor for the decline was the increase of £56 million in the deficit on the government account due, in part, to the timing of receipts from, and contributions to, the EEC, but there were also smaller declines in the net balances on most other accounts. Total credits and debits both increased in the latest quarter and stood at £2,711 million and £2,421 million respectively.

The deficit on government services and transfers, at £253 million, was higher by £56 million than in the preceding quarter. Total credits decreased by £16 million, because of

Analysis of total currency flow and official financing

TABLE C

Not seasonally adjusted

£ million

	1972	1973	1974	1974 1st qtr	1974 2nd qtr	1974 3rd qtr	1974 4th qtr	1975 1st qtr	1975 2nd qtr
Current balance	+ 128	− 835	−3,668	− 983	− 903	−880	−902	−604	−336
Capital transfers[1]	—	− 59	− 75	—	− 29	− 40	− 6	—	—
Investment and other capital flows									
Official long-term capital	− 255	− 252	− 275	− 53	− 42	− 15	−165	− 62	− 38
Overseas investment in UK public sector	+ 113	+ 345	+ 764	+ 61	+ 280	+166	+257	+119	+212
Overseas investment in UK private sector	+ 752	+1,590	+2,110	+ 870	+ 404	+527	+309	+291	+ 14
UK private investment overseas	−1,408	−1,861	−1,128	− 348	− 130	−164	−486	−540	−729
Overseas currency borrowing or lending (net) by UK banks[2]:									
Borrowing to finance UK investment overseas	+ 725	+ 595	+ 200	+ 170	+ 100	+ 10	− 80	− 40	+ 70
Borrowing to finance lending to UK public sector[3]	..	+ 827	+ 594	+ 276	+ 263	+ 53	+ 2	− 7	− 10
Other borrowing or lending (net)[4]	− 254	− 63	− 499	− 231	− 44	−356	+132	− 58	+759
Exchange reserves in sterling[5]:									
British government stocks	+ 65	+ 74	− 124	+ 68	− 190	− 67	+ 65	+ 6	+ 29
Banking and money market liabilities	+ 222	+ 87	+1,534	+ 164	+ 421	+622	+327	+216	−290
Other external banking and money market liabilities in sterling	− 91	− 7	+ 148	− 53	+ 155	+ 61	− 15	+ 19	+286
Import credit[6]	+ 204	+ 201	+ 81	− 14	+ 51	− 38	+ 82	− 50	− 24
Export credit[6]	− 354	− 436	− 453	− 97	− 201	− 62	− 93	−195	− 48
Other short-term flows	− 430	− 194	− 236	− 95	+ 138	−112	−167	+170	−161
Total investment and other capital flows	− 711	+ 906	+2,716	+ 718	+1,205	+625	+168	−131	+ 70
Balancing item	− 682	+ 198	+ 462	+ 226	− 162	+478	− 80	+448	−153
Total currency flow	−1,265	+ 210	− 565	− 39	+ 111	+183	−820	−287	−419
Allocation of Special Drawing Rights	+ 124	—	—	—	—	—	—	—	—
Total	−1,141	+ 210	− 565	− 39	+ 111	+183	−820	−287	−419
Official financing									
Net transactions with overseas monetary authorities:									
IMF[7]	− 415	—	—	—	—	—	—	—	—
Other monetary authorities	+ 864	—	—	—	—	—	—	—	—
Foreign currency borrowing by HM Government[8]	—	—	+ 644	—	—	—	+644	+423	—
Drawings on (+)/additions to (−) official reserves [7,9]	+ 692	− 210	− 79	+ 39	− 111	−183	+176	−136	+419
Total official financing	+1,141	− 210	+ 565	+ 39	− 111	−183	+820	+287	+419

[1] Payments under the Sterling Agreements of 1968, as renewed in 1971 and as unilaterally renewed in September 1973.
[2] Including certain other financial institutions.
[3] Prior to 1973 borrowing of this type was not separately distinguished but was probably small.
[4] Excluding changes in levels resulting from changes in sterling valuation; see note on page 76 of *UK Balance of Payments 1964-74*.
[5] Sterling reserves of oversees countries and international organisations, other than the IMF; as reported by banks, etc. in the UK.
[6] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.
[7] From July 1972, transactions with the IMF affecting the United Kingdom reserve position in the Fund are included as changes in the official reserves.
[8] Drawings on a euro-dollar facility for HM Government to borrow $2,500 million.
[9] Valued in sterling at transactions rates of exchange.

lower receipts from the EEC of £78 million after the unusually high receipts of £106 million in the first quarter. In addition there was an increase of £19 million in debits for military services, and economic grants rose by £11 million. Contributions to the EEC rose by £30 million but these were partly offset by a decrease of £20 million in subscriptions to other international organisations.

The net debit on sea transport increased by £15 million to £52 million. Dry cargo trade continued to be affected by the relatively depressed level of world trade, with an associated fall in the volume of crosstrades and some weakening in the charter market. There were increases, affecting both sides of this account, in liner freight rates and in most disbursement charges. The net deficit on tanker operations continued at much the same level as in the preceding quarter and an increase in freight earnings was partly offset by an associated increase in expenditure overseas on bunker fuel. There was little sign of any improvement in the market for tanker transport.

The net credit on civil aviation was £21 million. Although this represented a fall of £13 million from the previous quarter, it was higher than any other quarterly figure since the summer of 1973, and reflected a continuing growth in the revenue of UK airlines and airports, as against lesser increases in United Kingdom passenger expenditure on overseas airlines and in expenditure overseas by United Kingdom airlines. The travel account continued to show the improvement noted in recent quarters, the provisional estimate of a surplus of £58 million equalling that of the first quarter, which had been the highest ever recorded. The net earnings from other services, at £252 million, were almost unchanged from the previous quarter though there were small rises in most items on both sides of the account. (The series for other services debits now includes expenditure on services provided by non-residents in connection with United Kingdom continental shelf activities, which were previously included in oil companies' transactions in the interest, profits and dividends account; these are estimated at £50 million in 1973, £200 million in 1974 and £150 million in the first half of 1975).

The United Kingdom's net earnings in the form of interest, profits and dividends, at £291 million, were £17 million lower than in the previous quarter reflecting decreases of £27 million in the private sector surplus and of £10 million in the public sector deficit. Provisional estimates of earnings of United Kingdom companies on their direct investments overseas indicate that these were £25 million lower than in the previous quarter. In the oil industry there was little change in the overseas earnings of United Kingdom oil companies compared with the previous quarter, but earnings in the United Kingdom of foreign oil companies, although somewhat depressed by continuing expenditure on exploration of the United Kingdom continental shelf, showed some increase over the low levels of 1974. There were small increases in both credits and debits associated with portfolio investment income, and United Kingdom banks increased their net earnings on lending in overseas currencies.

Invisibles

TABLE D

	Seasonally adjusted								
	£ million								
				1974				1975	
	1972	1973	1974	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr
Credits									
Services:									
Government	72	80	94	23	27	19	25	22	34
Private[1]	4,027	4,967	6,225	1,472	1,562	1,576	1,615	1,650	1,669
Interest, profits and dividends:									
Public sector	181	194	250	58	52	64	76	63	75
Private sector	1,581	2,704	2,921	784	705	675	757	766	755
Transfers:									
Government	—	63	130	24	26	26	54	106	78
Private	231	295	355	85	85	90	95	95	100
Total	6,092	8,303	9,975	2,446	2,457	2,450	2,622	2,702	2,711
Debits									
Services:									
Government	428	518	653	154	171	160	168	176	196
Private[1]	3,168	4,014	5,040	1,179	1,247	1,287	1,327	1,345	1,390
Interest, profits and dividends:									
Public sector	315	389	606	137	143	155	171	211	213
Private sector	867	1,113	1,213	334	304	269	306	310	326
Transfers:									
Government	208	423	451	111	103	92	145	149	169
Private	288	386	446	105	100	111	130	105	127
Total	5,274	6,843	8,409	2,020	2,068	2,074	2,247	2,296	2,421
Invisible balance	+ 818	+1,460	+1,566	+ 426	+ 389	+ 376	+ 375	+ 406	290

[1] Including public corporations.

The net deficit on private transfers was somewhat larger in the latest quarter than the average level during 1974 and followed an unusually small deficit in the first quarter.

Investment and other capital flows (not seasonally adjusted)

Identified investment and other capital flows in the second quarter are estimated to have resulted in a net inflow of £70 million, following an outflow in the previous quarter now put at £131 million.

Note: During the second quarter of 1975 further changes were made in the statistical returns provided by the banks to the Bank of England—see *Bank of England Quarterly Bulletin*, June 1975, pages 162—165. As a result some of the data relating to the banks' external liabilities and claims should now be more complete than hitherto; changes in some items, particularly in net external liabilities in overseas currencies and in sterling claims, may not therefore be fully compatible with changes in earlier periods.

The net outflow of *official long-term capital*, at £38 million, was £24 million lower than in the first quarter. As is usual in the second quarter, net aid lending was small and the main outflows were the regular credit repayment to the Export–Import Bank and a contribution to the European Investment Bank.

Overseas investment in the United Kingdom public sector totalled £212 million. Net issues and borrowing abroad by public corporations and local authorities raised £176 million, of which £163 million was borrowed under the exchange cover scheme. Borrowing from abroad included amounts raised by the National Coal Board and British Steel Corporation from the European Investment Bank and European Coal and Steel Community. There was net investment of £34 million in British government stocks by holders other than central monetary institutions and international organisations and a small net investment in local authority securities and mortgages.

The total of *overseas investment in the United Kingdom private sector*, at £14 million, was exceptionally low and followed a net inflow of £291 million in the previous quarter. Because of the disinvestment by the Chase Manhattan Bank of a £34 million share in the London-based Standard and Chartered Bank, and because there were no significant overseas acquisitions of United Kingdom affiliates' share and loan capital, inward direct investment is provisionally estimated at only £60 million, a fall of over £100 million despite a small increase in reinvested profits. Portfolio investment transactions in United Kingdom company securities resulted in a net disinvestment from the United Kingdom of £17 million; one foreign currency issue raised £23 million but sales of other United Kingdom securities by American and European residents exceeded the continuing investment by residents of the oil-exporting countries by £39 million. There was no further build up of oil company funds held in London and the repayment of loans by the United Kingdom subsidiaries of foreign-owned oil companies resulted in a net disinvestment in the quarter. There was some increase in other private sector direct borrowing abroad which is included in miscellaneous investment.

United Kingdom private investment overseas is estimated to have totalled around £730 million and was some £190 million above the net outflow in the first quarter. Preliminary estimates indicate that United Kingdom direct investment overseas was, at some £290 million, rather less than in the previous quarter with over four-fifths of the investment being financed from reinvested profits. Portfolio investment overseas revived to give an estimated net outflow of £10 million thus reversing the net disinvestment experienced in recent periods. (Accruals to the United Kingdom official reserves under the 25 per cent surrender scheme were, at £53 million, the same as in the first quarter[1]). Oil and

[1] See *United Kingdom Balance of Payments 1964-74*. Table 23, for earlier figures

Inward and outward investment[1]—UK private sector

TABLE E

	Not seasonally adjusted								
	£ million								
				1974				1975	
	1972	1973	1974	1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr
Overseas investment in UK private sector									
Direct:									
Unremitted profits[2]	+ 284	+ 316	+ 312	+ 45	+ 98	+ 82	+ 87	+ 68	+ 74
Other	+ 100	+ 366	+ 452	+ 99	+ 69	+ 54	+230	+ 95	− 14
Investment in UK company securities	+ 155	+ 229	+ 134	+ 36	+ 54	+ 24	+ 20	+ 2	− 17
Oil and miscellaneous	+ 213	+ 679	+1,212	+690	+183	+367	− 28	+126	− 29
Total	+ 752	+1,590	+2,110	+870	+404	+527	+309	+291	+ 14
UK private investment overseas									
Direct:									
Unremitted profits[2]	− 466	− 847	− 872	−219	−235	−192	−226	−242	−247
Other	− 271	− 777	− 668	−161	−190	−156	−161	−102	− 44
Portfolio	− 584	+ 295	+ 767	+133	+113	+257	+264	+ 32	− 10
Oil and miscellaneous	− 87	− 532	− 355	−101	+182	− 73	−363	−228	−428
Total	−1,408	−1,861	−1,128	−348	−130	−164	−486	−540	−729

[1] Net of disinvestment. Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Excluding unremitted profits of branches.

miscellaneous transactions resulted in a net outflow of some £430 million, which was £200 million higher than in the previous quarter. This increase is largely the result of delayed repayments of the trade credit which had been extended to United Kingdom oil companies by their overseas subsidiaries during the first quarter of 1975.

Overseas currency borrowing or lending (net) by United Kingdom banks recorded an exceptionally large inflow of £819 million in the quarter compared with an outflow of £105 million in the first quarter. Borrowing used to finance United Kingdom investment overseas resulted in an inflow again after two quarters in which repayments of earlier borrowing, particularly of borrowing to finance portfolio investment, had exceeded new borrowing. Of the total of £70 million for the quarter, net inflows were recorded on borrowing to finance both direct and portfolio investment. The level of currency lending to the United Kingdom public sector fell by £10 million. Other transactions by United Kingdom banks resulted in a large inflow of £759 million. The large inflowwas partly associated with receipts by oil-exporting countries of the amounts delayed from the first quarter; some of this was apparently converted into sterling for domestic use. There may also have been some effect from the changes in statistical reporting mentioned earlier. The level of external claims increased by nearly £5,000 million and external liabilities by over £6,000 million. The net borrowing came generally from Western Europe and North America.

Exchange reserves in sterling decreased by £261 million during the quarter, with banking and money market liabilities falling by £290 million while holdings of British government stocks rose by £29 million. In contrast, *other external banking and money market liabilities in sterling* rose by £286 million.

Preliminary estimates, which may be subject to substantial revision, of trade credit extended between 'unrelated' concerns indicate that there has been a fall in net *import credit* received for the quarter of £24 million compared with a fall in the previous quarter of £50 million. Net *export credit* extended rose by £48 million compared with a rise of £195 million in the first quarter, the reduction mainly being a combination of a smaller amount of net credit extended by United Kingdom banks and a net repayment of suppliers' credit.

Other short-term flows are provisionally estimated to have resulted in a net outflow of about £160 million compared with an inflow in the first quarter, now put at £170 million. External sterling claims of United Kingdom banks (other than export credit) increased by some £230 million, following a decrease of some £65 million in the first quarter, while miscellaneous commercial short-term transactions resulted in a net inflow of about £70 million.

The *balancing item* was negative, at £153 million, representing errors and omissions including unidentified capital outflows. This result partly counter-balances the positive balancing item in the preceding quarter and is in line with experience in the second quarter of earlier years.

Official financing

After public sector borrowing of £163 million in foreign currencies under the exchange cover scheme, there was a net currency outflow in the quarter of £419 million; this was met by drawing on the official reserves.

Exchange rates

The mean effective depreciation of sterling since the Smithsonian agreement in December 1971, taking into account movements in the exchange rates of major currencies and their importance in United Kingdom trade, increased sharply during May and June averaging 24 per cent for the quarter overall compared with 21½ per cent in the first quarter. The average of the daily closing middle market exchange rates between sterling and the United States dollar was £1 = $2·3252 compared with £1 = $2·3908 in the preceding quarter.

REVISIONS

The figures shown up to 1974 are consistent with those in *United Kingdom Balance of Payments 1964-74* and incorporate revisions for a number of years to those figures published with the article for the first quarter of 1975. Figures for invisibles have been amended back to 1969 and for investment and capital flows back to 1970. The revisions have generally resulted from later and more complete information having become available.

Years 1970—1973

Apart from increases in 1973 of some £250 million to both imports and exports in respect of revised estimates of goods for processing and repair (see the note on revisions on page 542 in *Trade and Industry*, 29 August), visible trade figures are largely unchanged. Revisions to invisible credits and debits have been mainly responsible for increases of £37 million and £46 million in the current account surpluses in 1970 and 1972 and a decrease of £278 million in the current account deficit in 1973.

Sea transport figures have been changed in the light of the 1974 enquiry results of the General Council of British Shipping with credits decreasing more than debits by £32 million and £47 million in 1972 and 1973. As a result of more complete information, receipts from other services were revised upwards each year, from an increase of £24 million in 1970 to an increase of £67 million in 1973. The increases in payments on other services, which ranged from an increase of £18 million in 1970 to £54 million in 1973, were almost wholly due to the addition of imports of services associated with oil company activities on the United Kingdom Continental Shelf. These payments were previously included unidentifiably within oil company earnings (net). This reallocation is partly responsible for the revisions to the earnings from interest, profits and dividends (other than direct and portfolio). In particular in 1973 these earnings have been increased by £306 million but this revision largely arises from the more accurate allocation of some oil company transactions and offsets revised figures in private investment overseas.

The inflow of investment and other capital increased by £91 million and £24 million in 1970 and 1971; in 1972 the net outflow increased by £40 million and in 1973 the net inflow decreased by £295 million. The overall effect of revisions to the estimates (other than direct and portfolio investment) of United Kingdom private investment overseas and overseas investment in the United Kingdom private sector, largely accounted for these changes. In 1973 the

estimates of trade credit between unrelated concerns has been revised as a result of later information, reducing import credit by £22 million and increasing export credit by £93 million, this latter revision having an equal offsetting effect on other short-term capital.

The net effect of these changes on the totals of investment and other capital flows were, to a large extent, balanced by the changes to the current account. Only 1970 was substantially affected where, with the currency flow unchanged, the positive balancing item of £108 million changed to a negative figure of £20 million.

Year 1974

As in 1973 there have been substantial revisions to the balance of payments adjustments made to the trade figures of imports and exports with an effect overall of reducing the deficit on visible trade by £25 million. Estimates of sea transport services were revised in the light of the 1974 enquiry mentioned above reducing the net deficit by £44 million. Later and more complete information resulted in receipts from other services being increased by £115 million while payments for other services were increased by £200 million with the reallocation of the United Kingdom Continental Shelf services mentioned above. As a result of this reallocation and other revisions, earnings from interest, profits and dividends (other than direct and portfolio) have been increased by £133 million. Estimates of the earnings of overseas parent companies from direct investment in the United Kingdom have been increased by £28 million in the light of the 1973 annual enquiry results. The overall effect of these various changes has been to reduce the current account deficit by £103 million.

Revisions to the estimates (other than direct and portfolio investment) of United Kingdom private investment overseas and overseas investment in the United Kingdom private sector more than accounted for the increase of £279 million in the net inflow of investment and other capital. Inward direct investment was increased by £49 million and outward direct investment by £87 million in the light of the 1973 annual enquiry results. The estimate of import credit between unrelated concerns was increased by £54 million while the ouflow of other short-term commercial capital increased by £70 million. The net effect of the change to the total of investment and other capital flows, taken together with the change to the current balance, and with the currency flow unchanged, reduced the positive balancing item by £382 million.

First quarter of 1975

Increases in the export and import figures are largely offsetting, the visible deficit increasing by £7 million. Increases in receipts and payments for sea transport are virtually equal. Payments for other services have been increased by £72 million with the reallocation of Continental Shelf services mentioned above. Largely as a result of this reallocation, earnings from interest, profits and dividends (other than direct and portfolio) have been revised upwards by £105 million. The overall effect of these various changes has been to reduce the current account deficit by £23 million.

The decrease of £274 million in the net outflow of investment and other capital is wholly accounted for by revisions to the preliminary estimates of other short-term capital. Taken together with the changes to the current balance and with the currency flow unchanged, the positive balancing item was reduced by £297 million.

Central Statistical Office

APPENDIX CONTENTS

Note:—Because of space limitations, we have not included the long runs of the figures in the balance of payments appendix tables which have, in past years, appeared in the September issue of Economic Trends. Copies of these long runs (1964-1974) in the form of a computer print-out, are available on request for a small charge. Requests, stating the tables required, should be addressed to: Mr G. Holmes, Central Statistical Office, Great George Street, London SW1P 3AQ.

	Annual figures from	Quarterly figures from	Table
GENERAL BALANCE OF PAYMENTS			
Summary	—	1964	1
Current account	1969	1971	2
Investment and other capital flows	1969	1971	3
Analysis of total currency flow and official financing	1969	1971	4
Summary balance of payments	1964	—	5
VISIBLE TRADE			
Visible trade in the balance of payments	1969	1969	6
INVISIBLES			
Government services and transfers	1969	1972	7
Interest, profits and dividends	1969	1972	8
INVESTMENT AND OTHER CAPITAL FLOWS			
Official long-term capital	1969	1973	9
Overseas investment in UK public sector	1969	1973	10
Inward and outward investment—UK private sector	1969	1973	11
Import and export credit	1969	1973	12
Other short-term flows	1969	1973	13
OFFICIAL FINANCING			
Official financing	1969	1973	14
International Monetary Fund	1969	1973	15
ASSETS AND LIABILITIES			
Official long-term borrowing	1969	1973	16
Official long-term lending	1969	1973	17
External liabilities and claims of UK banks in overseas currencies	1971	1973	18
Exchange reserves in sterling; and banking and money market liabilities in sterling to holders other than central monetary institutions	1969	1973	19
Official reserves	1969	1973	20
Official short and medium-term borrowing	1969	1973	21

APPENDIX

United Kingdom balance of payments

Summary

TABLE 1

£ million

	Seasonally adjusted			Not seasonally adjusted								
	Current account			Currency flow and official financing								
										Financed as follows:		
	Visible trade	Invisibles	**Current balance**	Current balance	Capital transfers	Investment and other capital flows	Balancing item	**Total currency flow**	Allocation of SDR and gold subscription to IMF	Total[1]	Net transactions with overseas monetary authorities[2]	Foreign currency borrowing by HM Government[3]	Official reserves[2, 4]
1964 *1*	− 129	+ 53	− **76**	− 47	—	+ 7	+ 41	+ **1**	—	+ 1	—	—	− 1
2	− 92	+ 31	− **61**	− 60	—	+ 72	—	+ **12**	—	+ 12	+ 4	—	− 16
3	− 133	+ 32	− **101**	− 169	—	+ 70	− 27	− **126**	—	− 126	+ 67	—	+ 59
4	− 146	+ 29	− **117**	− 79	—	− 450	− 53	− **582**	—	− 582	+ 502	—	+ 80
1965 *1*	− 39	+ 41	+ **2**	− 20	—	− 133	− 13	− **166**	—	− 166	+ 171	—	− 5
2	− 81	+ 44	− **37**	+ 3	—	− 212	+ 43	− **166**	—	− 166	+ 331	—	−165
3	− 57	+ 50	− **7**	− 66	—	− 77	− 53	− **196**	—	− 196	+ 183	—	+ 13
4	− 46	+ 61	+ **15**	+ 56	—	+ 96	+ 23	+ **175**	—	+ 175	− 86	—	− 89
1966 *1*	− 67	+ 30	− **37**	− 8	—	+ 44	+ 12	+ **48**	− 44	+ 4	+ 199[5]	—	−203
2	− 68	+ 48	− **20**	− 25	—	− 106	− 32	− **163**	—	− 163	+ 57	—	+106
3	− 43	+ 35	− **8**	− 76	—	− 456	+ 44	− **488**	—	− 488	+ 447	—	+ 41
4	+ 112	+ 53	+ **165**	+ 209	—	− 60	− 93	+ **56**	—	+ 56	− 78	—	+ 22
1967 *1*	− 40	+ 66	+ **26**	+ 13	—	+ 347	+149	+ **509**	—	+ 509	− 452	—	− 57
2	− 88	+ 22	− **66**	− 43	—	− 80	+111	− **12**	—	− 12	− 140	—	+152
3	− 98	+ 65	− **33**	− 56	—	− 363	− 87	− **506**	—	− 506	+ 470	—	+ 36
4	− 328	+100	− **228**	− 215	—	− 504[6]	+ 57	− **662**	—	− 662	+ 678[5]	—	− 16
1968 *1*	− 162	+ 78	− **84**	− 139	—	− 264[6]	−116	− **519**	—	− 519	+ 530	—	− 11
2	− 216	+117	− **99**	− 59	—	− 452[6]	− 10	− **521**	—	− 521	+ 505	—	+ 16
3	− 162	+122	− **40**	− 59	—	+ 39[6]	− 4	− **24**	—	− 24	+ 38	—	− 14
4	− 127	+ 75	− **52**	− 18	—	− 329[6]	+ 1	− **346**	—	− 346	+ 223	—	+123
1969 *1*	− 128	+154	+ **26**	− 18	—	+ 48	+242	+ **272**	—	+ 272	− 252	—	− 20
2	− 52	+147	+ **95**	+ 157	—	− 45	− 30	+ **82**	—	+ 82	− 93	—	+ 11
3	+ 34	+135	+ **169**	+ 151	—	− 59	−139	− **47**	—	− 47	+ 43	—	+ 4
4	− 1	+173	+ **172**	+ 172	—	− 53	+317	+ **436**	—	+ 436	− 397	—	− 39
1970 *1*	+ 59	+207	+ **266**	+ 247	—	+ 465	+203	+ **915**	+171	+1,086	−1,010	—	− 76
2	− 49	+190	+ **141**	+ 172	—	+ 228	−173	+ **227**	—	+ 227	− 193	—	− 34
3	− 77	+173	+ **96**	+ 81	—	− 161	−122	− **202**	—	− 202	+ 150	—	+ 52
4	+ 55	+177	+ **232**	+ 235	—	+ 40	+ 72	+ **347**	− 38	+ 309	− 242	—	− 67
1971 *1*	− 57	+198	+ **141**	+ 58	—	+ 663	+252	+ **973**	+125	+1,098	− 894	—	−204
2	+ 105	+173	+ **278**	+ 345	—	+ 344	− 55	+ **634**	—	+ 634	− 508	—	−126
3	+ 180	+212	+ **392**	+ 375	—	+ 494	−201	+ **668**	—	+ 668	− 92	—	−576
4	+ 54	+183	+ **237**	+ 270	—	+ 394	+289	+ **953**	—	+ 953	− 323	—	−630
1972 *1*	− 133	+223	+ **90**	− 12	—	− 10	+ 79	+ **57**	+124	+ 181	+ 10	—	−191
2	− 64	+202	+ **138**	+ 210	—	− 838	−417	−**1,045**	—	−1,045	+ 999	—	+ 46
3	− 281	+191	− **90**	− 130	—	− 25	+ 76	− **79**	—	− 79	− 560	—	+639
4	− 212	+202	− **10**	+ 60	—	+ 162	−420	− **198**	—	− 198	—	—	+198
1973 *1*	− 354	+204	− **150**	− 339	−38	+ 76	+370	+ **69**	—	+ 69	—	—	− 69
2	− 403	+325	− **78**	− 6	−19	+ 570	−168	+ **377**	—	+ 377	—	—	−377
3	− 564	+366	− **198**	− 182	− 1	− 267	+192	− **258**	—	− 258	—	—	+258
4	− 974	+565	− **409**	− 308	− 1	+ 527	−196	+ **22**	—	+ 22	—	—	− 22
1974 *1*	−1,275	+426	− **849**	− 983	—	+ 718	+226	− **39**	—	− 39	—	—	+ 39
2	−1,307	+389	− **918**	− 903	−29	+1,205	−162	+ **111**	—	+ 111	—	—	−111
3	−1,205	+376	− **829**	− 880	−40	+ 625	+478	+ **183**	—	+ 183	—	—	−183
4	−1,447	+375	−**1,072**	− 902	− 6	+ 168	− 80	− **820**	—	− 820	—	+644	+176
1975 *1*	− 722	+406	− **316**	− 604	—	− 131	+448	− **287**	—	− 287	—	+423	−136
2	− 525	+290	− **235**	− 336	—	+ 70	−153	− **419**	—	− 419	—	—	+419

[1] Consists of total currency flow, allocation of SDR and gold subscription to IMF.
[2] From July 1972, transactions with the IMF affecting the United Kingdom reserve position in the Fund are included as changes in the official reserves.
[3] Drawings on a euro-dollar facility for HM Government to borrow $2,500 million.
[4] Drawings on, +/ additions to, −.
[5] Includes transfer of dollar portfolio to reserves.
[6] Includes EEA loss on forward commitments.

Current account

TABLE 2

£ million

	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	Government[1]			Transport						Travel		
							Sea transport			Civil aviation					
				Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net
1969	7,074	7,221	− 147	48	515	−467	1,051	1,084	− 33	287	246	+41	359	324	+ 35
1970	7,907	7,919	− 12	51	536	−485	1,361	1,437	− 76	316	279	+37	432	382	+ 50
1971	8,810	8,528	+ 282	59	586	−527	1,615	1,672	− 57	354	309	+45	486	439	+ 47
1972	9,140	9,830	− 690	72	636	−564	1,606	1,687	− 81	410	346	+64	546	527	+ 19
1973	11,771	14,066	−2,295	143	941	−798	2,052	2,174	−122	481	420	+61	681	682	− 1
1974	15,886	21,120	−5,234	224	1,104	−880	2,621	2,791	−170	619	561	+58	833	682	+151
Unadjusted															
1971 *1*	1,976	2,122	− 146	22	149	−127	393	433	− 40	61	61	—	62	52	+ 10
2	2,313	2,182	+ 131	10	136	−126	400	424	− 24	89	73	+16	122	107	+ 15
3	2,200	2,040	+ 160	15	153	−138	401	398	+ 3	124	98	+26	200	206	− 6
4	2,321	2,184	+ 137	12	148	−136	421	417	+ 4	80	77	+ 3	102	74	+ 28
1972 *1*	2,171	2,392	− 221	27	179	−152	391	414	− 23	73	70	+ 3	81	72	+ 9
2	2,382	2,410	− 28	15	142	−127	386	409	− 23	103	82	+21	128	120	+ 8
3	1,909	2,236	− 327	11	156	−145	400	411	− 11	142	107	+35	208	238	− 30
4	2,678	2,792	− 114	19	159	−140	429	453	− 24	92	87	+ 5	129	97	+ 32
1973 *1*	2,678	3,200	− 522	29	226	−197	448	487	− 39	82	84	− 2	97	93	+ 4
2	2,898	3,274	− 376	22	238	−216	478	513	− 35	125	103	+22	159	161	− 2
3	2,898	3,467	− 569	46	236	−190	527	546	− 19	162	121	+41	268	308	− 40
4	3,297	4,125	− 828	46	241	−195	599	628	− 29	112	112	—	157	120	+ 37
1974 *1*	3,460	4,862	−1,402	60	282	−222	614	675	− 61	118	122	− 4	123	95	+ 28
2	4,079	5,420	−1,341	43	268	−225	674	715	− 41	147	130	+17	194	159	+ 35
3	4,026	5,285	−1,259	44	247	−203	669	692	− 23	202	161	+41	311	300	+ 11
4	4,321	5,553	−1,232	77	307	−230	664	709	− 45	152	148	+ 4	205	128	+ 77
1975 *1*	4,369	5,351	− 982	139	346	−207	625	682	− 57	151	140	+11	171	122	+ 49
2	4,683	5,343	− 660	105	349	−244	635	692	− 57	176	147	+29	240	202	+ 38
Seasonally adjusted															
1971 *1*	2,010	2,067	− 57	13	132	−119	401	431	− 30	82	72	+10	114	110	+ 4
2	2,265	2,160	+ 105	14	141	−127	410	433	− 23	87	74	+13	117	107	+ 10
3	2,293	2,113	+ 180	18	153	−135	399	405	− 6	92	79	+13	124	108	+ 16
4	2,242	2,188	+ 54	14	160	−146	405	403	+ 2	93	84	+ 9	131	114	+ 17
1972 *1*	2,178	2,311	− 133	17	153	−136	395	408	− 13	97	83	+14	137	131	+ 6
2	2,289	2,353	− 64	17	152	−135	392	413	− 21	101	83	+18	134	129	+ 5
3	2,060	2,341	− 281	18	161	−143	401	422	− 21	105	87	+18	134	130	+ 4
4	2,613	2,825	− 212	20	170	−150	418	444	− 26	107	93	+14	141	137	+ 4
1973 *1*	2,724	3,078	− 354	19	209	−190	455	480	− 25	108	98	+10	150	152	− 2
2	2,819	3,222	− 403	30	247	−217	484	515	− 31	121	103	+18	167	161	+ 6
3	3,078	3,642	− 564	46	243	−197	529	562	− 33	122	101	+21	180	186	− 6
4	3,150	4,124	− 974	48	242	−194	584	617	− 33	130	118	+12	184	183	+ 1
1974 *1*	3,563	4,838	−1,275	47	265	−218	623	664	− 41	152	141	+11	190	160	+ 30
2	3,977	5,284	−1,307	53	274	−221	679	716	− 37	143	133	+10	205	159	+ 46
3	4,240	5,445	−1,205	45	252	−207	669	711	− 42	150	133	+17	209	173	+ 36
4	4,106	5,553	−1,447	79	313	−234	650	700	− 50	174	154	+20	229	190	+ 39
1975 *1*	4,637	5,359	− 722	128	325	−197	635	672	− 37	198	164	+34	264	206	+ 58
2	4,479	5,004	− 525	112	365	−253	639	691	− 52	171	150	+21	273	215	+ 58

[1] Services and transfer payments, see Table 7.

Current account

TABLE 2 *(continued)*

£ million

	Other services			Interest, profits and dividends			Private transfers			Total invisibles			All current transactions		
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Invisible balance	Credits	Debits	Current balance
1969	1,051	468	+ 583	1,338	839	+ 499	181	230	− 49	4,315	3,706	+ 609	11,389	10,927	+ 462
1970	1,208	510	+ 698	1,446	889	+ 557	192	226	− 34	5,006	4,259	+ 747	12,913	12,178	+ 735
1971	1,319	559	+ 760	1,481	970	+ 511	215	228	− 13	5,529	4,763	+ 766	14,339	13,291	+1,048
1972	1,465	608	+ 857	1,762	1,182	+ 580	231	288	− 57	6,092	5,274	+ 818	15,232	15,104	+ 128
1973	1,753	738	+1,015	2,898	1,502	+1,396	295	386	− 91	8,303	6,843	+1,460	20,074	20,909	− 835
1974	2,152	1,006	+1,146	3,171	1,819	+1,352	355	446	− 91	9,975	8,409	+1,566	25,861	29,529	−3,668
Unadjusted															
1971 *1*	324	126	+ 198	378	218	+ 160	53	50	+ 3	1,293	1,089	+ 204	3,269	3,211	+ 58
2	330	144	+ 186	400	249	+ 151	53	57	− 4	1,404	1,190	+ 214	3,717	3,372	+ 345
3	325	140	+ 185	357	209	+ 148	54	57	− 3	1,476	1,261	+ 215	3,676	3,301	+ 375
4	340	149	+ 191	346	294	+ 52	55	64	− 9	1,356	1,223	+ 133	3,677	3,407	+ 270
1972 *1*	367	145	+ 222	413	254	+ 159	57	66	− 9	1,409	1,200	+ 209	3,580	3,592	− 12
2	357	144	+ 213	453	294	+ 159	57	70	− 13	1,499	1,261	+ 238	3,881	3,671	+ 210
3	356	159	+ 197	435	268	+ 167	58	74	− 16	1,610	1,413	+ 197	3,519	3,649	− 130
4	385	160	+ 225	461	366	+ 95	59	78	− 19	1,574	1,400	+ 174	4,252	4,192	+ 60
1973 *1*	416	170	+ 246	559	365	+ 194	64	87	− 23	1,695	1,512	+ 183	4,373	4,712	− 339
2	424	180	+ 244	769	375	+ 394	71	108	− 37	2,048	1,678	+ 370	4,946	5,952	− 6
3	446	188	+ 258	672	323	+ 349	77	89	− 12	2,198	1,811	+ 387	5,096	5,278	− 182
4	467	200	+ 267	898	439	+ 459	83	102	− 19	2,362	1,842	+ 520	5,659	5,967	− 308
1974 *1*	524	214	+ 310	844	456	+ 388	85	105	− 20	2,368	1,949	+ 419	5,828	6,811	− 983
2	535	236	+ 299	812	444	+ 368	85	100	− 15	2,490	2,052	+ 438	6,569	7,472	− 903
3	533	272	+ 261	707	394	+ 313	90	111	− 21	2,556	2,177	+ 379	6,582	7,462	− 880
4	560	284	+ 276	808	525	+ 283	95	130	− 35	2,561	2,231	+ 330	6,882	7,784	− 902
1975 *1*	571	302	+ 269	815	492	+ 323	95	105	− 10	2,567	2,189	+ 378	6,936	7,540	− 604
2	586	330	+ 256	872	543	+ 329	100	127	− 27	2,714	2,390	+ 324	7,397	7,733	− 336
Seasonally adjusted															
1971 *1*	317	126	+ 191	375	236	+ 139	53	50	+ 3	1,355	1,157	+ 198	3,365	3,224	+ 141
2	328	144	+ 184	366	246	+ 120	53	57	− 4	1,375	1,202	+ 173	3,640	3,362	+ 278
3	334	141	+ 193	373	239	+ 134	54	57	− 3	1,394	1,182	+ 212	3,687	3,295	+ 392
4	340	148	+ 192	367	249	+ 118	55	64	− 9	1,405	1,222	+ 183	3,647	3,410	+ 237
1972 *1*	357	145	+ 212	423	274	+ 149	57	66	− 9	1,483	1,260	+ 223	3,661	3,571	+ 90
2	356	145	+ 211	424	287	+ 137	57	70	− 13	1,481	1,279	+ 202	3,770	3,632	+ 138
3	366	158	+ 208	446	305	+ 141	58	74	− 16	1,528	1,337	+ 191	3,588	3,678	− 90
4	386	160	+ 226	469	316	+ 153	59	78	− 19	1,600	1,398	+ 202	4,213	4,223	− 10
1973 *1*	404	170	+ 234	571	371	+ 200	64	87	− 23	1,771	1,567	+ 204	4,495	4,645	− 150
2	423	182	+ 241	713	368	+ 345	71	108	− 37	2,009	1,684	+ 325	4,828	4,906	− 78
3	459	187	+ 272	692	371	+ 321	77	89	− 12	2,105	1,739	+ 366	5,183	5,381	− 198
4	467	199	+ 268	922	392	+ 530	83	102	− 19	2,418	1,853	+ 565	5,568	5,977	− 409
1974 *1*	507	214	+ 293	842	471	+ 371	85	105	− 20	2,446	2,020	+ 426	6,009	6,858	− 849
2	535	239	+ 296	757	447	+ 310	85	100	− 15	2,457	2,068	+ 389	6,434	7,352	− 918
3	548	270	+ 278	739	424	+ 315	90	111	− 21	2,450	2,074	+ 376	6,690	7,519	− 829
4	562	283	+ 279	833	477	+ 356	95	130	− 35	2,622	2,247	+ 375	6,728	7,800	−1,072
1975 *1*	553.	303	+ 250	829	521	+ 308	95	105	− 10	2,702	2,296	+ 406	7,339	7,655	− 316
2	586	334	+ 252	830	539	+ 291	100	127	− 27	2,711	2,421	+ 290	7,190	7,425	− 235

Investment and other capital flows

TABLE 3

Not seasonally adjusted

£ million

	Official long-term capital	Overseas investment in UK public sector	Overseas investment in UK private sector	UK private investment overseas	Overseas currency borrowing or lending (net) by UK banks[1]			Exchange reserves in sterling		Other external banking and money market liabilities in sterling	Import credit[2]	Export credit[2]	Other short-term flows	Total investment and other capital flows
					Borrowing to finance UK investment overseas	Borrowing to finance lending to UK public sector	Other borrowing or lending (net)	British government stocks	Banking and money market liabilities					
1969	− 99	—	+ 673	− 679	+ 72	..	−110	+237	+ 77	− 53	+153	−324	− 56	− 109
1970	−204	− 10	+ 838	− 787	+180	..	+292	+ 63	+ 130	+266	+ 11	−264	+ 57	+ 572
1971	−273	+179	+1,052	− 833	+280	..	+201	+ 55	+ 658	+709	+ 47	−195	+ 15	+1,895
1972	−255	+113	+ 752	−1,408	+725	..	−254	+ 65	+ 222	− 91	+204	−354	−430	− 711
1973	−252	+345	+1,590	−1,861	+595	+827	− 63	+ 74	+ 87	− 7	+201	−436	−194	+ 906
1974	−275	+764	+2,110	−1,128	+200	+594	−499	−124	+1,534	+148	+ 81	−453	−236	+2,716
1971 *1*	− 45	+121	+ 336	− 204	+ 45	..	+ 39	+ 57	+ 168	+ 60	+ 13	− 35	+108	+ 663
2	− 44	+ 28	+ 280	− 236	+120	..	+ 38	+ 36	+ 244	− 3	− 8	− 77	− 34	+ 344
3	− 35	+ 5	+ 216	− 161	+ 60	..	− 32	− 40	+ 137	+240	+ 30	+ 34	+ 40	+ 494
4	−149	+ 25	+ 220	− 232	+ 55	..	+156	+ 2	+ 109	+412	+ 12	−117	− 99	+ 394
1972 *1*	− 43	+ 64	+ 149	− 342	+185	..	− 71	+ 70	+ 138	+ 3	+ 54	− 77	−140	− 10
2	− 39	+ 20	+ 173	− 373	+170	..	−302	− 8	+ 37	−167	+ 26	−148	−227	− 838
3	− 17	+ 22	+ 230	− 313	+195	..	+ 4	− 35	− 52	− 5	+ 22	− 33	− 43	− 25
4	−156	+ 7	+ 200	− 380	+175	..	+115	+ 38	+ 99	+ 78	+102	− 96	− 20	+ 162
1973 *1*	− 55	+ 51	+ 354	− 368	+175	+ 39	−177	+ 18	+ 183	− 31	+ 1	−194	+ 80	+ 76
2	− 30	+ 68	+ 429	− 419	+ 75	+234	+ 87	+ 92	− 3	+ 77	+ 40	− 39	− 41	+ 570
3	− 26	+ 37	+ 300	− 363	+140	+347	−104	− 38	− 307	− 70	+ 26	− 74	−135	− 267
4	−141	+189	+ 507	− 711	+205	+207	+131	+ 2	+ 214	+ 17	+134	−129	− 98	+ 527
1974 *1*	− 53	+ 61	+ 870	− 348	+170	+276	−231	+ 68	+ 164	− 53	− 14	− 97	− 95	+ 718
2	− 42	+280	+ 404	− 130	+100	+263	− 44	−190	+ 421	+155	+ 51	−201	+138	+1,205
3	− 15	+166	+ 527	− 164	+ 10	+ 53	−356	− 67	+ 622	+ 61	− 38	− 62	−112	+ 625
4	−165	+257	+ 309	− 486	− 80	+ 2	+132	+ 65	+ 327	− 15	+ 82	− 93	−167	+ 168
1975 *1*	− 62	+119	+ 291	− 540	− 40	− 7	− 58	+ 6	+ 216	+ 19	− 50	−195	+170	− 131
2	− 38	+212	+ 14	− 729	+ 70	− 10	+759	+ 29	− 290	+286	− 24	− 48	−161	+ 70

[1] Including certain other financial institutions.
[2] Excluding trade credit between 'related' firms; after deducting advance and progress payments to suppliers.

Analysis of total currency flow and official financing

TABLE 4

Not seasonally adjusted

£ million

	Currency flow							Official financing				
								Net transactions with overseas monetary authorities				
	Current balance	Capital transfers	Investment and other capital flows	Balancing item	**Total currency flow**	Allocation of Special Drawing Rights	Gold subscription to IMF	Total[1]	IMF[2]	Other monetary authorities	Foreign currency borrowing by HM Government[3]	Drawings on (+)/ additions to (−) official reserves[2, 4]	Total official financing
1969	+ 462	—	− 109	+ 390	**+ 743**	—	—	+ 743	− 30	− 669	—	− 44	− 743
1970	+ 735	—	+ 572	− 20	**+1,287**	+171	−38	+1,420	−134	−1,161	—	− 125	−1,420
1971	+1,048	—	+1,895	+ 285	**+3,228**	+125	—	+3,353	−554	−1,263	—	−1,536	−3,353
1972	+ 128	—	− 711	− 682	**−1,265**	+124	—	−1,141	−415	+ 864	—	+ 692	+1,141
1973	− 835	−59	+ 906	+ 198	**+ 210**	—	—	+ 210	—	—	—	− 210	− 210
1974	−3,668	−75	+2,716	+ 462	**− 565**	—	—	− 565	—	—	+644	− 79	+ 565
1971 *1*	+ 58	—	+ 663	+ 252	**+ 973**	+125	—	+1,098	−287	− 607	—	− 204	−1,098
2	+ 345	—	+ 344	− 55	**+ 634**	—	—	+ 634	− 8	− 500	—	− 126	− 634
3	+ 375	—	+ 494	− 201	**+ 668**	—	—	+ 668	−259	+ 167	—	− 576	− 668
4	+ 270	—	+ 394	+ 289	**+ 953**	—	—	+ 953	—	− 323	—	− 630	− 953
1972 *1*	− 12	—	− 10	+ 79	**+ 57**	+124	—	+ 181	− 10	+ 20	—	− 191	− 181
2	+ 210	—	− 838	− 417	**−1,045**	—	—	−1,045	−405	+1,404	—	+ 46	+1,045
3	− 130	—	− 25	+ 76	**− 79**	—	—	− 79	—	− 560	—	+ 639	+ 79
4	+ 60	—	+ 162	− 420	**− 198**	—	—	− 198	—	—	—	+ 198	+ 198
1973 *1*	− 339	−38	+ 76	+ 370	**+ 69**	—	—	+ 69	—	—	—	− 69	− 69
2	− 6	−19	+ 570	− 168	**+ 377**	—	—	+ 377	—	—	—	− 377	− 377
3	− 182	− 1	− 267	+ 192	**− 258**	—	—	− 258	—	—	—	+ 258	+ 258
4	− 308	− 1	+ 527	− 196	**+ 22**	—	—	+ 22	—	—	—	− 22	− 22
1974 *1*	− 983	—	+ 718	+ 226	**− 39**	—	—	− 39	—	—	—	+ 39	+ 39
2	− 903	−29	+1,205	− 162	**+ 111**	—	—	+ 111	—	—	—	− 111	− 111
3	− 880	−40	+ 625	+ 478	**+ 183**	—	—	+ 183	—	—	—	− 183	− 183
4	− 902	− 6	+ 168	− 80	**− 820**	—	—	− 820	—	—	+644	+ 176	+ 820
1975 *1*	− 604	—	− 131	+ 448	**− 287**	—	—	− 287	—	—	+423	− 136	+ 287
2	− 336	—	+ 70	− 153	**− 419**	—	—	− 419	—	—	—	+ 419	+ 419

[1] Consists of total currency flow, allocation of SDR and gold subscription to IMF.
[2] From July 1972, transactions with the IMF affecting the United Kingdom reserve position in the Fund are included as changes in the official reserves.
[3] Drawings on a euro-dollar facility for HM Government to borrow $2,500 million.
[4] From 23 August 1971, valued in sterling at transactions rates of exchange.

Summary balance of payments

TABLE 5

£ million

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Exports (f.o.b.)	4,521	4,848	5,203	5,139	6,282	7,074	7,907	8,810	9,140	11,771	15,886
Imports (f.o.b.)	5,021	5,071	5,269	5,693	6,949	7,221	7,919	8,528	9,830	14,066	21,120
Visible balance	− 500	− 223	− 66	− 554	− 667	− 147	− 12	+ 282	− 690	−2,295	−5,234
Invisible credits											
Services —government	45	46	42	36	44	48	51	59	72	80	94
private[1]	1,588	1,698	1,816	2,088	2,487	2,748	3,317	3,774	4,027	4,967	6,225
Interest, profits and dividends											
public sector	44	47	58	61	44	49	71	109	181	194	250
private sector	844	945	904	916	1,063	1,289	1,375	1,372	1,581	2,704	2,921
Transfers—government	—	—	—	—	—	—	—	—	—	63	130
private	125	135	135	143	171	181	192	215	231	295	355
Total	2,646	2,871	2,955	3,244	3,809	4,315	5,006	5,529	6,092	8,303	9,975
Invisible debits											
Services —government	314	316	332	311	331	338	360	381	428	518	653
private[1]	1,394	1,483	1,545	1,707	1,909	2,122	2,608	2,979	3,168	4,014	5,040
Interest, profits and dividends											
public sector	162	179	214	229	274	373	328	299	315	389	606
private sector	333	378	361	369	498	466	561	671	867	1,113	1,213
Transfers—government	163	177	180	188	179	177	176	205	208	423	451
private	135	142	157	187	226	230	226	228	288	386	446
Total	2,501	2,675	2,789	2,991	3,417	3,706	4,259	4,763	5,274	6,843	8,409
Invisible balance	+ 145	+ 196	+ 166	+ 253	+ 392	+ 609	+ 747	+ 766	+ 818	+1,460	+1,566
Current balance	**− 355**	**− 27**	**+ 100**	**− 301**	**− 275**	**+ 462**	**+ 735**	**+1,048**	**+ 128**	**− 835**	**−3,668**
Capital transfers	—	—	—	—	—	—	—	—	—	− 59	− 75
Investment and other capital flows[2]											
Official long-term capital	− 116	− 85	− 81	− 59	+ 17	− 99	− 204	− 273	− 255	− 252	− 275
Overseas investment in UK public sector	+ 15	− 12	+ 35	+ 54	+ 16	—	− 10	+ 179	+ 113	+ 345	+ 764
Overseas investment in UK private sector	+ 143	+ 238	+ 264	+ 360	+ 567	+ 673	+ 838	+1,052	+ 752	+1,590	+2,110
UK private investment overseas	− 399	− 368	− 303	− 456	− 727	− 679	− 787	− 833	−1,408	−1,861	−1,128
Overseas currency borrowing or lending (net) by UK banks:											
Borrowing to finance UK investment overseas	+ 15	+ 45	+ 15	+ 55	+ 155	+ 72	+ 180	+ 280	+ 725	+ 595	+ 200
Borrowing to finance lending to UK public sector	..	..	..	..	..	..	..	..	..	+ 827	+ 594
Other borrowing or lending (net)	+ 146	− 67	− 207	− 19	− 170	− 110	+ 292	+ 201	− 254	− 63	− 499
Exchange reserves in sterling:											
British government stocks	+ 52	− 46	− 51	− 40	− 22	+ 237	+ 63	+ 55	+ 65	+ 74	− 124
Banking and money market liabilities	− 73	− 104	+ 22	− 148	− 158	+ 77	+ 130	+ 658	+ 222	+ 87	+1,534
Other external banking and money market liabilities in sterling	+ 42	+ 52	− 72	− 96	− 128	− 53	+ 266	+ 709	− 91	− 7	+ 148
Import credit	+ 2	+ 6	− 6	+ 13	+ 75	+ 153	+ 11	+ 47	+ 204	+ 201	+ 81
Export credit	− 48	− 52	− 198	− 193	− 329	− 324	− 264	− 195	− 354	− 436	− 453
Other short-term flows	− 80	+ 67	+ 4	+ 34	− 51	− 56	+ 57	+ 15	− 430	− 194	− 236
Total investment and other capital flows	− 301	− 326	− 578	− 495	− 755	− 109	+ 572	+1,895	− 711	+ 906	+2,716
Balancing item	− 39	—	− 69	+ 230	− 129	+ 390	− 20	+ 285	− 682	+ 198	+ 462
EEA loss on forward commitments	—	—	—	− 105	− 251	—	—	—	—	—	—
Total currency flow	**− 695**	**− 353**	**− 547**	**− 671**	**−1,410**	**+ 743**	**+1,287**	**+3,228**	**−1,265**	**+ 210**	**− 565**
Allocation of SDR	—	—	—	—	—	—	+ 171	+ 125	+ 124	—	—
Gold subscription to IMF	—	—	− 44	—	—	—	− 38	—	—	—	—
Total	− 695	− 353	− 591	− 671	−1,410	+ 743	+1,420	+3,353	−1,141	+ 210	− 565
Total official financing	+ 695	+ 353	+ 591	+ 671	+1,410	− 743	−1,420	−3,353	+1,141	− 210	+ 565

[1] Including public corporations.
[2] Assets: increase−/decrease+. Liabilities: increase+/decrease−.

Visible trade in the balance of payments

TABLE 6

Seasonally adjusted

£ million

	Exports			Imports								
					Valuation adjustments		Coverage adjustments		US military aircraft, etc.[3]			
	Overseas Trade Statistics (f.o.b.)	Coverage adjustments	Balance of payments (f.o.b.)[1]	Overseas Trade Statistics (c.i.f.)	Freight and insurance[2]	Other	Ships delivered abroad	Other	Arrivals	Payments	Balance of payments (f.o.b.)[1]	Visible balance[1]
1969	7,339	−265	7,074	8,315	− 769	− 52	+155	−302	−187	+61	7,221	− 147
1970	8,061	−154	7,907	9,037	− 840	− 61	+122	−327	− 22	+10	7,919	− 12
1971	9,181	−371	8,810	9,821	− 937	− 59	+203	−495	− 10	+ 5	8,528	+ 282
1972	9,746	−606	9,140	11,138	− 971	− 62	+327	−606	− 1	+ 5	9,830	− 690
1973	12,454	−683	11,771	15,840	−1,290	− 86	+377	−774	− 2	+ 1	14,066	−2,295
1974	16,494	−608	15,886	23,117	−1,538	−114	+419	−764	—	—	21,120	−5,234
1969 *1*	1,685	− 40	1,646	2,023	− 193	− 13	+ 41	− 66	− 51	+33	1,774	− 128
2	1,801	− 52	1,748	2,097	− 192	− 13	+ 45	− 86	− 66	+15	1,800	− 52
3	1,919	− 87	1,832	2,086	− 192	− 13	+ 31	− 70	− 47	+ 3	1,798	+ 34
4	1,934	− 86	1,848	2,109	− 192	− 13	+ 38	− 80	− 23	+10	1,849	− 1
1970 *1*	1,972	− 36	1,936	2,144	− 191	− 16	+ 24	− 80	− 5	+ 1	1,877	+ 59
2	2,004	− 43	1,961	2,285	− 206	− 16	+ 38	− 82	− 9	—	2,010	− 49
3	1,909	− 32	1,877	2,219	− 214	− 14	+ 31	− 72	− 2	+ 6	1,954	− 77
4	2,176	− 43	2,133	2,389	− 229	− 15	+ 29	− 93	− 6	+ 3	2,078	+ 55
1971 *1*	2,056	− 46	2,010	2,377	− 240	− 15	+ 36	− 91	− 4	+ 5	2,067	− 57
2	2,337	− 72	2,265	2,462	− 237	− 15	+ 73	−119	− 3	—	2,160	+ 105
3	2,392	−100	2,293	2,449	− 231	− 14	+ 55	−145	− 2	—	2,113	+ 180
4	2,396	−153	2,242	2,533	− 229	− 15	+ 39	−140	− 1	—	2,188	+ 54
1972 *1*	2,320	−142	2,178	2,631	− 228	− 16	+ 55	−133	—	+ 2	2,311	− 133
2	2,440	−151	2,289	2,673	− 243	− 16	+ 76	−139	—	+ 2	2,353	− 64
3	2,199	−139	2,060	2,663	− 232	− 14	+ 78	−153	− 1	—	2,341	− 281
4	2,787	−174	2,613	3,171	− 268	− 16	+118	−181	—	+ 1	2,825	− 212
1973 *1*	2,875	−151	2,724	3,442	− 287	− 20	+104	−162	—	+ 1	3,078	− 354
2	2,995	−176	2,819	3,668	− 308	− 22	+ 72	−189	—	—	3,222	− 403
3	3,234	−157	3,078	4,129	− 333	− 20	+ 61	−193	− 1	—	3,642	− 564
4	3,350	−199	3,150	4,601	− 362	− 24	+140	−230	− 1	—	4,124	− 974
1974 *1*	3,687	−124	3,563	5,349	− 402	− 27	+109	−191	—	—	4,838	−1,275
2	4,096	−119	3,977	5,857	− 396	− 29	+ 92	−240	—	—	5,284	−1,307
3	4,427	−187	4,240	5,926	− 375	− 27	+109	−188	—	—	5,445	−1,205
4	4,284	−178	4,106	5,985	− 365	− 31	+109	−145	—	—	5,553	−1,447
1975 *1*	4,838	−201	4,637	5,825	− 348	− 59	+ 99	−158	—	—	5,359	− 722
2	4,700	−221	4,479	5,437	− 347	− 16	+ 93	−163	—	—	5,004	− 525

[1] Components and totals are rounded independently.
[2] Including port charges.
[3] As from the end of 1973, no adjustments have been made for arrivals of, or payments for, US military aircraft, etc.

Government services and transfers

TABLE 7

£ million

	Credits				Debits									
	Services		Transfers		Services			Transfers						
									Subscriptions and contributions to international organisations					
	EEC	Military and other	EEC	Total	Military	Administrative, diplomatic, etc.	Total services	Economic grants	EEC	Other	Other	Total transfers	Total	Government (net)
1969	—	48	—	48	282	56	338	87	—	56	34	177	515	−467
1970	—	51	—	51	301	59	360	85	—	54	37	176	536	−485
1971	—	59	—	59	322	59	381	103	—	63	39	205	586	−527
1972	—	72	—	72	355	73	428	100	—	58	50	208	636	−564
1973	13	67	63	143	429	89	518	106	187	75	55	423	941	−798
1974	19	75	130	224	556	97	653	118	186	87	60	451	1,104	−880
Unadjusted														
1972 *1*	—	27	—	27	97	17	114	42	—	13	10	65	179	−152
2	—	15	—	15	73	17	90	16	—	22	14	52	142	−127
3	—	11	—	11	89	19	108	20	—	15	13	48	156	−145
4	—	19	—	19	96	20	116	22	—	8	13	43	159	−140
1973 *1*	—	26	3	29	100	21	121	44	28	20	13	105	226	−197
2	5	10	7	22	94	21	115	17	64	29	13	123	238	−216
3	5	16	25	46	113	24	137	23	50	12	14	99	236	−190
4	3	15	28	46	122	23	145	22	45	14	15	96	241	−195
1974 *1*	4	32	24	60	130	22	152	47	47	20	16	130	282	−222
2	5	12	26	43	140	25	165	20	38	31	14	103	268	−225
3	2	16	26	44	137	24	161	24	29	18	15	86	247	−203
4	8	15	54	77	149	26	175	27	72	18	15	132	307	−230
1975 *1*	5	28	106	139	150	27	177	41	66	41	21	169	346	−207
2	9	18	78	105	157	29	186	23	96	25	19	163	349	−244
Seasonally adjusted														
1972 *1*	—	17	—	17	87	18	105	26	—	12	10	48	153	−136
2	—	17	—	17	81	17	98	25	—	15	14	54	152	−135
3	—	18	—	18	89	18	107	24	—	17	13	54	161	−143
4	—	20	—	20	98	20	118	25	—	14	13	52	170	−150
1973 *1*	—	16	3	19	99	22	121	27	28	20	13	88	209	−190
2	5	18	7	30	102	21	123	27	64	20	13	124	247	−217
3	5	16	25	46	112	23	135	27	50	17	14	108	243	−197
4	3	17	28	48	116	23	139	25	45	18	15	103	242	−194
1974 *1*	4	19	24	47	131	23	154	29	47	19	16	111	265	−218
2	5	22	26	53	146	25	171	31	38	20	14	103	274	−221
3	2	17	26	45	136	24	160	28	29	20	15	92	252	−207
4	8	17	54	79	143	25	168	30	72	28	15	145	313	−234
1975 *1*	5	17	106	128	148	28	176	25	66	38	20	149	325	−197
2	9	25	78	112	167	29	196	36	96	18	19	169	365	−253

Interests, profits and dividends

TABLE 8

	£ million								
	Credits				Debits				Interest, profits and dividends (net)
	Direct investment[1]	Portfolio investment	Other[2]	Total	Direct investment[1]	Portfolio investment	Other[2]	Total	
1969	650	161	527	1,338	308	100	431	839	+ 499
1970	710	171	565	1,446	360	113	416	889	+ 557
1971	717	166	598	1,481	390	135	445	970	+ 511
1972	915	162	685	1,762	523	158	501	1,182	+ 580
1973	1,458	191	1,249	2,898	654	186	662	1,502	+1,396
1974	1,539	231	1,401	3,171	608	235	976	1,819	+1,352
Unadjusted									
1972 *1*	206	39	168	413	110	36	108	254	+ 159
2	233	39	181	453	141	44	109	294	+ 159
3	218	41	176	435	117	36	115	268	+ 167
4	258	43	160	461	155	42	169	366	+ 95
1973 *1*	299	43	217	559	186	43	136	365	+ 194
2	330	49	390	769	185	49	141	375	+ 394
3	383	51	238	672	125	45	153	323	+ 349
4	446	48	404	898	158	49	232	439	+ 459
1974 *1*	374	52	418	844	139	55	262	456	+ 388
2	411	65	336	812	166	60	218	444	+ 368
3	343	57	307	707	128	52	214	394	+ 313
4	411	57	340	808	175	68	282	525	+ 283
1975 *1*	386	51	378	815	130	65	297	492	+ 323
2	412	58	402	872	136	90	317	543	+ 329
Seasonally adjusted									
1972 *1*	220	39	164	423	116	38	120	274	+ 149
2	224	40	160	424	130	40	117	287	+ 137
3	223	39	184	446	141	38	126	305	+ 141
4	248	44	177	469	136	42	138	316	+ 153
1973 *1*	316	44	211	571	180	44	147	371	+ 200
2	334	49	330	713	172	46	150	368	+ 345
3	390	49	253	692	159	48	164	371	+ 321
4	418	49	455	922	143	48	201	392	+ 530
1974 *1*	375	53	414	842	144	55	272	471	+ 371
2	392	65	300	757	164	56	227	447	+ 310
3	365	55	319	739	142	58	224	424	+ 315
4	407	58	368	833	158	66	253	477	+ 356
1975 *1*	416	52	361	829	135	68	318	521	+ 308
2	391	56	383	830	134	75	330	539	+ 291

[1] Department of Industry inquiry into overseas direct investment. Credits exclude oil. Debits exclude oil and insurance.
[2] Including oil.

Official long-term capital [1]

TABLE 9

Not seasonally adjusted

£ million

	Inter-government loans							Other official long-term capital		
			Made to UK		Repaid by UK					
	Made by UK	Repaid to UK	Export-Import Bank	Other	Export-Import Bank	Other	Total	UK sub-scriptions to IDA, etc.	Other	Total official long-term capital
1969	− 82	+30	+64	+52	−54	−58	− 48	− 45	− 6	− 99
1970	−110	+27	+ 9	—	−43	−61	−178	− 24	− 2	−204
1971	−125	+32	+ 4	—	−42	−57	−188	− 43	−42	−273
1972	−110	+34	—	—	−58	−54	−188	− 52	−15	−255
1973	− 93	+31	—	—	−38	−53	−153	− 84	−15	−252
1974	−108	+33	—	—	−32	−52	−159	−107	− 9	−275
1973 *1*	− 47	+ 5	—	—	—	—	− 42	− 10	− 3	− 55
2	− 14	+11	—	—	−19	− 3	− 25	—	− 5	− 30
3	− 14	+ 5	—	—	—	− 2	− 11	− 13	− 2	− 26
4	− 18	+10	—	—	−19	−48	− 75	− 61	− 5	−141
1974 *1*	− 62	+ 4	—	—	—	—	− 58	− 3	+ 8	− 53
2	− 12	+11	—	—	−18	− 4	− 23	− 14	− 5	− 42
3	− 10	+ 7	—	—	—	—	− 3	− 9	− 3	− 15
4	− 24	+11	—	—	−14	−48	− 75	− 81	− 9	−165
1975 *1*	− 54	+ 5	—	—	—	—	− 49	− 10	− 3	− 62
2	− 14	+13	—	—	−14	− 4	− 19	− 14	− 5	− 38

[1] Assets: increase−/ decrease+. Liabilities: increase+/ decrease−.

Overseas investment in UK public sector [1]

TABLE 10

Not seasonally adjusted

£ million

	In British government stocks [2]	In local authorities securities and mortgages	Net issues abroad		Net borrowing abroad from banks, etc.		Total
			Public corporations	Local authorities	Public corporations	Local authorities	
1969	− 74	− 1	+ 54	—	+ 16	+ 5	—
1970	− 10	+ 2	—	—	− 2	—	− 10
1971	+ 82	+21	+ 11	—	+ 65	—	+179
1972	+108	+ 5	—	—	—	—	+113
1973	+ 41	+32	+ 70	+128	+ 67	+ 7	+345
1974	+105	− 9	+336	+ 20	+276	+36	+764
1973 *1*	− 8	− 1	+ 50	+ 10	—	—	+ 51
2	+ 12	+ 8	—	+ 38	+ 10	—	+ 68
3	+ 9	+12	− 1	+ 25	− 8	—	+ 37
4	+ 28	+13	+ 21	+ 55	+ 65	+ 7	+189
1974 *1*	− 7	+ 6	+ 18	+ 23	+ 10	+11	+ 61
2	+ 37	− 3	+189	—	+ 39	+18	+280
3	+ 16	−12	+129	− 1	+ 34	—	+166
4	+ 59	—	—	− 2	+193	+ 7	+257
1975 *1*	+ 36	—	− 3	+ 7	+ 79	—	+119
2	+ 34	+ 2	+101	+ 9	+ 66	—	+212

[1] Net of disinvestment. Assets: increase−/ decrease+. Liabilities: increase+/ decrease−.
[2] Excluding investment by central monetary institutions and international organisations.

Inward and outward investment [1] — UK private sector

TABLE 11

Not seasonally adjusted

£ million

	Overseas investment in UK private sector						
	Direct [2]			UK company securities			
	Unremitted profits	Other	Total	Issues abroad (net)	Other securities	Oil and miscellaneous	Total
1969	+132	+187	+319	+ 6	+130	+ 218	+ 673
1970	+179	+175	+354	+ 35	+ 49	+ 400	+ 838
1971	+182	+263	+445	+ 88	+100	+ 419	+1,052
1972	+284	+100	+384	+149	+ 6	+ 213	+ 752
1973	+316	+366	+682	+138	+ 91	+ 679	+1,590
1974	+312	+452	+764	+ 2	+132	+1,212	+2,110
1973 *1*	+ 30	+ 39	+ 69	+ 75	+ 41	+ 169	+ 354
2	+ 94	+151	+245	+ 30	+ 20	+ 134	+ 429
3	+ 83	− 4	+ 79	+ 29	+ 12	+ 180	+ 300
4	+109	+180	+289	+ 4	+ 18	+ 196	+ 507
1974 *1*	+ 45	+ 99	+144	− 4	+ 40	+ 690	+ 870
2	+ 98	+ 69	+167	+ 16	+ 38	+ 183	+ 404
3	+ 82	+ 54	+136	− 4	+ 28	+ 367	+ 527
4	+ 87	+230	+317	− 6	+ 26	− 28	+ 309
1975 *1*	+ 68	+ 95	+163	+ 6	− 4	+ 126	+ 291
2	+ 74	− 14	+ 60	+ 22	− 39	− 29	+ 14

	UK private investment overseas					
	Direct [3]					
	Unremitted profits	Other	Total	Portfolio	Oil and miscellaneous	Total
1969	−321	−228	− 549	− 34	− 96	− 679
1970	−322	−224	− 546	− 90	−151	− 787
1971	−329	−346	− 675	− 20	−138	− 833
1972	−466	−271	− 737	−584	− 87	−1,408
1973	−847	−777	−1,624	+295	−532	−1,861
1974	−872	−668	−1,540	+767	−355	−1,128
1973 *1*	−159	−142	− 301	+ 38	−105	− 368
2	−180	−142	− 322	+ 78	−175	− 419
3	−239	−297	− 536	+ 95	+ 78	− 363
4	−269	−196	− 465	+ 84	−330	− 711
1974 *1*	−219	−161	− 380	+133	−101	− 348
2	−235	−190	− 425	+113	+182	− 130
3	−192	−156	− 348	+257	− 73	− 164
4	−226	−161	− 387	+264	−363	− 486
1975 *1*	−242	−102	− 344	+ 32	−228	− 540
2	−247	− 44	− 291	− 10	−428	− 729

[1] Net of disinvestment. Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Department of Industry inquiry into overseas direct investment: excluding oil and insurance.
[3] Department of Industry inquiry into overseas direct investment: excluding oil.

Import and export credit[1]

TABLE 12

Not seasonally adjusted

£ million

	Import credit						Export credit					
	Credit received by UK businesses			Advance and progress payments	Import deposits paid directly from overseas	Total	Credit extended by UK banks[3]					
	Identified long-term[2]	Other	Total				Identified long-term[4]	Other	Total	Suppliers' credit	Advance and progress payments[5]	Total
1969	+ 50	+ 70	+120	−26	+59	+153	−200	− 20	−220	−172	+ 68	−324
1970	+ 72	+ 12	+ 84	−41	−32	+ 11	−281	+ 27	−254	−116	+106	−264
1971	+131	+ 11	+142	−67	−28	+ 47	−359	+ 54	−305	− 13	+123	−195
1972	+159	+ 34	+193	+11	—	+204	−323	+ 21	−302	−147	+ 95	−354
1973	+ 59	+181	+240	−39	—	+201	−180	−127	−307	−270	+141	−436
1974	− 4	+119	+115	−34	—	+ 81	−423	+ 8	−415	−271	+233	−453
1973 *1*	− 5	+ 11	+ 6	− 5	—	+ 1	− 58	− 48	−106	−125	+ 37	−194
2	+ 11	+ 36	+ 47	− 7	—	+ 40	− 45	+ 12	− 33	− 36	+ 30	− 39
3	+ 18	+ 23	+ 41	−15	—	+ 26	− 39	− 51	− 90	− 6	+ 22	− 74
4	+ 35	+111	+146	−12	—	+134	− 38	− 40	− 78	−103	+ 52	−129
1974 *1*	− 21	+ 8	− 13	− 1	—	− 14	− 78	+ 9	− 69	− 92	+ 64	− 97
2	− 11	+ 46	+ 35	+16	—	+ 51	− 94	+ 14	− 80	−156	+ 35	−201
3	+ 10	− 16	− 6	−32	—	− 38	−138	− 15	−153	+ 29	+ 62	− 62
4	+ 18	+ 81	+ 99	−17	—	+ 82	−113	—	−113	− 52	+ 72	− 93
1975 *1*	− 13	− 30	− 43	− 7	—	− 50	−153	− 71	−224	− 20	+ 49	−195
2	− 5	− 23	− 28	+ 4	—	− 24	−159	+ 17	−142	+ 38	+ 56	− 48

[1] Excluding trade credit between 'related' firms. Assets: increase−/decrease +. Liabilities: increase+/decrease−.
[2] Dry cargo ships and British Airways aircraft only.
[3] Including amounts refinanced with the Bank of England and the ECGD.
[4] Credit extended under ECGD buyer credit schemes and ECGD specific bank guarantees.
[5] Payments made under credit arrangements financed by UK banks.

Other short-term flows[1]

TABLE 13

Not seasonally adjusted

£ million

	External sterling claims[2]	Official assets and liabilities (nei)	Other commercial short-term transactions (net)	IMF expenditure and receipts in sterling	IMF gold deposits in the UK	Total
1969	− 65	− 6	—	+15	—	− 56
1970	− 7	+29	+ 39	—	− 4	+ 57
1971	− 53	+21	+ 49	—	− 2	+ 15
1972	−276	+10	− 70	−83	−11	−430
1973	− 32	+ 5	−167	—	—	−194
1974	−149	− 5	− 82	—	—	−236
1973 *1*	+156	—	− 76	—	—	+ 80
2	−111	− 1	+ 71	—	—	− 41
3	− 84	− 1	− 50	—	—	−135
4	+ 7	+ 7	−112	—	—	− 98
1974 *1*	− 38	− 3	− 54	—	—	− 95
2	+ 59	− 6	+ 85	—	—	+138
3	− 62	−14	− 36	—	—	−112
4	−108	+18	− 77	—	—	−167
1975 *1*	+ 66	—	+104	—	—	+170
2	−229	—	+ 68	—	—	−161

[1] Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Excluding export credit.

Official financing

TABLE 14

£ million

	Net transactions with overseas monetary authorities							Foreign currency borrowing by HM Government[4]	Drawings on (+)/ additions to (−) official reserves[5]	Total official financing
	International Monetary Fund[1]				Other monetary authorities[2]					
	UK drawings	UK re-purchases	Other net drawings[3]	Total	Foreign currency	Sterling	Total			
1969	+354	−382	− 2	− 30	− 61	− 608	− 669	—	− 44	− 743
1970	+ 63	−141	− 56	−134	−150	−1,011	−1,161	—	− 125	−1,420
1971	—	−541	− 13	−554	—	−1,263	−1,263	—	−1,536	−3,353
1972	—	−313	−102	−415	—	+ 864	+ 864	—	+ 692	+1,141
1973	—	—	—	—	—	—	—	—	− 210	− 210
1974	—	—	—	—	—	—	—	+644	− 79	+ 565
1973 *1*	—	—	—	—	—	—	—	—	− 69	− 69
2	—	—	—	—	—	—	—	—	− 377	− 377
3	—	—	—	—	—	—	—	—	+ 258	+ 258
4	—	—	—	—	—	—	—	—	− 22	− 22
1974 *1*	—	—	—	—	—	—	—	—	+ 39	+ 39
2	—	—	—	—	—	—	—	—	− 111	− 111
3	—	—	—	—	—	—	—	—	− 183	− 183
4	—	—	—	—	—	—	—	+644	+ 176	+ 820
1975 *1*	—	—	—	—	—	—	—	+423	− 136	+ 287
2	—	—	—	—	—	—	—	—	+ 419	+ 419

[1] Components and the total are rounded independently. From July 1972, includes credit tranche transactions only. [2] Net borrowing from other monetary authorities in the form of foreign currency deposits and assistance with a sterling counterpart, and other special swaps. [3] Drawings(−) and repurchases(+) in sterling by other countries. [4] Drawings on a euro-dollar facility for HM Government to borrow $2,500 million.
[5] From 23 August 1971, valued in sterling at transactions rates of exchange (see notes on page 78 of *UK Balance of Payments 1964-74*). From July 1972, includes transactions affecting the United Kingdom reserve position in the IMF.

International Monetary Fund

TABLE 15

£ million

	United Kingdom account with the IMF[1]								End of period		
				Credit tranche						United Kingdom tranche position[2]	
	UK gold sub-scription	IMF gold deposits in UK	Gold tranche (net)	UK drawings	UK re-purchases	Other net drawings	Other IMF sterling trans-actions	Change in account with IMF	IMF holdings of sterling	Total	*of which:* Gold tranche
1969	—	—	—	+354	−382	− 2	+16	− 15	1,950	83	—
1970	−38	− 4	—	+ 63	−141	− 56	—	−176	1,929[3]	404	—
1971	—	− 2	—	—	−541	− 13	—	−556	1,374	959	—
1972	—	−11	− 33	—	− 21	−102	−83	−250	1,132[4]	1,215	49
1973	—	—	—	—	—	—	—	—	1,189[4]	1,215	49
1974	—	—	− 45	—	—	—	—	− 45	1,143	1,252	86
1973 *1*	—	—	—	—	—	—	—	—	1,132	1,215	49
2	—	—	—	—	—	—	—	—	1,189[4]	1,215	49
3	—	—	—	—	—	—	—	—	1,189	1,215	49
4	—	—	—	—	—	—	—	—	1,189	1,215	49
1974 *1*	—	—	—	—	—	—	—	—	1,189	1,215	49
2	—	—	—	—	—	—	—	—	1,189	1,215	49
3	—	—	− 39	—	—	—	—	− 39	1,149	1,247	80
4	—	—	− 6	—	—	—	—	− 6	1,143	1,252	86
1975 *1*	—	—	− 10	—	—	—	—	− 10	1,133	1,261	94
2	—	—	− 7	—	—	—	—	− 7	1,126	1,265	99

[1] UK assets with IMF: increase−/decrease+. UK liabilities to IMF: increase+/decrease−. From first quarter 1972 valued at current market rates of exchange. [2] The amount, valued at parity, the United Kingdom could draw without raising IMF holdings of sterling beyond 200 per cent of quota. The United Kingdom quota was raised in November 1970, from $2,440 million (£1,017 million) to $2,800 million (£1,167 million). From March 1972 the unit of account of the IMF was changed from dollars to SDRs. The quota is therefore now expressed as SDR 2,800 million (£1,167 million).
[3] Includes additional sterling subscription of £113 million. [4] Includes maintenance of value adjustments of −£3 million in May 1972 to maintain a constant value in terms of SDRs of the Fund's holding of sterling following the Fund's decision to value certain currencies at market rates of exchange, and £57 million in May 1973 consequent upon the sterling float.

Official long-term borrowing[1]

TABLE 16

£ million

End of period

	Inter-government loans											Other official long-term capital[5]
			USA						Canada		Total[4]	
	German Federal Republic	Portugal	Lend-lease	Line of credit	ECA[2]	MSA[3]	Export-Import Bank credit	Other	Line of credit	Pakistan and Bangladesh		
1969	70	17	193	1,235	103	17	231	1	361	3	2,232	23
1970	60	12	188	1,208	98	17	197	1	353	3	2,137	23
1971	48	7	170	1,088	85	15	145	1	345	2	1,906	—
1972	48	2	166	1,062	80	14	90	1	337	2	1,802	—
1973 *1*	43	2	149	956	72	13	81	1	303	2	1,622	—
2	43	2	149	956	69	12	64	1	303	2	1,602	—
3	43	—	149	956	69	12	64	1	303	2	1,600	—
4	43	—	145	932	67	12	49	1	295	2	1,545	—
1974 *1*	43	—	145	932	67	12	49	1	295	2	1,545	—
2	43	—	145	932	64	12	33	—	295	2	1,527	—
3	43	—	145	932	64	12	33	—	295	2	1,527	—
4	43	—	141	902	60	12	20	—	285	2	1,465	—
1975 *1*	43	—	141	902	60	12	20	—	285	2	1,465	—
2	43	—	142	908	58	11	11	—	287	2	1,463	—

[1] Figures are calculated to end-September 1971 at $2.40 = £1 ; from end-December 1971 to end-December 1972 at $2.6057 = £1 and from end-March 1973 at $2.8952 = £1.
[2] Economic Co-operation Administration.
[3] Mutual Security Agency.
[4] The components are rounded independently from the overall total.
[5] Deutsche Bundesbank loan.

Official long-term lending

TABLE 17

£ million

End of period

	Inter-government loans[1]								Other official long-term capital[3]
	India	Pakistan and Bangladesh	Kenya	Singapore	Turkey	Poland	Other countries	Total[2]	
1969	269	67	54	9	39	48	286	791	453
1970	325	75	59	20	43	48	305	875	475
1971	374	80	62	27	45	48	327	964	537
1972	413	89	52	33	49	48	332	1,015	604
1973 *1*	440	91	53	36	50	48	340	1,057	616
2	442	92	53	36	49	48	338	1,057	620
3	446	93	53	37	48	48	341	1,066	635
4	448	94	52	37	47	48	346	1,074	703
1974 *1*	495	95	53	37	47	48	356	1,132	698
2	496	96	52	37	46	48	356	1,132	717
3	497	97	52	37	45	48	358	1,135	729
4	507	98	52	37	45	48	361	1,148	818
1975 *1*	539	102	53	37	45	48	373	1,198	831
2	538	104	52	37	44	48	375	1,199	851

[1] Some loans have, by agreement with the debtor country, been written down either in whole or in part. Such changes are reflected in the entries in this table but are not recorded as repayments in the general balance of payments tables or in Table 9.
[2] The components are rounded independently from the overall total.
[3] Subscriptions to international financial organisations (excluding the IMF) and other official assets.

External liabilities and claims of United Kingdom banks[1] in overseas currencies[2]

TABLE 18

	£ million							
	End of period							
		Currency		Area of holder				
	Total all currencies	US dollars	Other overseas currencies	Western Europe		North America	Oil-exporting countries[3]	Other countries[4]
				EEC countries	Other countries			
United Kingdom liabilities								
1971	17,605	14,146	3,459	10,423		2,676	934	3,572
1972	25,460	20,539	4,921	14,327		3,294	1,698	6,141
1973 *1*	27,498	21,834	5,664	7,504	7,130	3,680	..	..
2	28,426	21,361	7,065	8,068	7,267	3,447	..	..
3	34,003	25,458	8,545	10,503	8,791	3,712	..	..
4	39,017	29,770	9,247	12,606	9,737	4,240	2,012	10,422
1974 *1*	43,143	33,711	9,432	13,061	10,353	4,649	2,998	12,082
2	45,216	35,767	9,449	13,454	10,215	4,561	4,896	12,090
3	45,532	36,428	9,104	11,949	10,597	4,328	6,467	12,191
4[5]	47,821	37,869	9,952	11,996	11,023	4,738	7,888	12,176
1975 *1*	48,724	38,174	10,550	11,716	11,241	4,789	8,436	12,542
2	54,799	43,240	11,559	13,259	12,310	5,288	7,431	16,511
United Kingdom claims								
1971	16,680	13,023	3,657	8,139		2,479	305	5,757
1972	24,019	19,422	4,597	11,165		3,206	522	9,126
1973 *1*	26,084	20,084	6,000	9,788	3,384	2,878	..	..
2	26,721	19,911	6,810	9,611	3,629	2,797	..	..
3	31,833	23,550	8,283	11,224	3,868	3,594	..	..
4	36,274	28,174	8,100	12,518	3,923	4,424	825	14,584
1974 *1*	40,170	32,112	8,058	13,034	3,913	4,732	883	17,608
2	41,922	34,008	7,914	13,111	4,411	5,214	880	18,306
3	42,472	34,918	7,554	12,096	4,589	5,389	796	19,602
4[5]	43,880	35,194	8,686	12,086	4,986	5,066	992	20,750
1975 *1*	44,642	35,457	9,185	11,980	5,073	4,349	1,040	22,200
2	49,494	39,670	9,824	13,100	5,782	4,304	1,314	24,994
Net liabilities[6]								
1971	925	1,123	– 198	2,284		197	629	– 2,185
1972	1,441	1,117	324	3,162		88	1,176	– 2,985
1973 *1*	1,414	1,750	– 336	– 2,284	3,746	802	..	..
2	1,705	1,450	255	– 1,543	3,638	650	..	..
3	2,170	1,908	262	– 721	4,923	118	..	..
4	2,743	1,596	1,147	88	5,814	– 184	1,187	– 4,162
1974 *1*	2,973	1,599	1,374	27	6,440	– 83	2,115	– 5,526
2	3,294	1,759	1,535	343	5,804	– 653	4,016	– 6,216
3	3,060	1,510	1,550	– 147	6,008	– 1,061	5,671	– 7,411
4[5]	3,941	2,675	1,266	– 90	6,037	– 328	6,896	– 8,574
1975 *1*	4,082	2,717	1,365	– 264	6,168	440	7,396	– 9,658
2	5,305	3,570	1,735	159	6,528	984	6,117	– 8,483

[1] Including certain other financial institutions.

[2] Including revaluations in sterling terms, from the third quarter of 1971, which are excluded from Table 3. From the fourth quarter of 1974 includes those drawings arranged by United Kingdom banks under the $2,500 million facility.

[3] Algeria, Bahrain, Brunei, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, United Arab Emirates, and Venezuela.

[4] Including unallocated items; under liabilities these are mainly certificates of deposit which are thought to be held by residents of non-sterling countries.

[5] Figures for end-1974 differ from those shown in *United Kingdom Balance of Payments 1964-74* because of subsequent revisions. The net change in external liabilities in overseas currencies in the balance of payments accounts for the fourth quarter and year 1974 is not affected by these revisions, which reflect information not available before December 1974 when new reporting arrangements were introduced. However, the latter arrangements are not thought to have led to any major inconsistencies between the new and old series.

Minus sign indicates that claims exceed liabilities.

Exchange reserves in sterling; and banking and money market liabilities in sterling to holders other than central monetary institutions

Summary

TABLE 19

	£ million							
	End of period							
	Exchange reserves in sterling held by central monetary institutions					Banking and money market liabilities to holders other than CMIs		
			Banking and money market liabilities					
	Total[1]	British government stocks[2]	Total	External deposits[3]	Treasury bills[4]	Total	External deposits[3]	Treasury bills
Total countries								
1969	2,146	1,204	942	571	370	1,407	1,404	5
1970	2,365	1,295	1,070	698	373	1,673	1,670	3
1971	3,030	1,307	1,723	996	727	2,382	2,379	3
1972	3,361	1,454	1,907	1,031	876	2,291	2,288	3
1973 *1*	3,550	1,466	2,084	1,309	775	2,260	2,257	3
2	3,654	1,566	2,088	1,369	719	2,337	2,331	6
3	3 228	1,449	1,779	1,245	534	2,267	2,262	5
4	3,379	1.428	1,951	1,439	512	2,284	2,280	4
1974 *1*	3,659	1,532	2,127	1,535	592	2,231	2,226	5
2	3,857	1,311	2,546	1,685	861	2,386	2,381	5
3	4,420	1,250	3,170	1,939	1,231	2,447	2,441	6
4[5]	4,725	1,295	3,430	1,870	1,560	2,432	2,426	6
	4,303	959	3,344	1,784	1,560	2,500	2,494	6
1975 *1*	4,506	949	3,557	1,841	1,716	2,519	2,512	7
2	4,264	1,007	3,257	1,596	1,661	2,984	2,977	7
International organisations[6]								
1969	173	79	94	18	76	—	—	—
1970	182	86	96	14	82	—	—	—
1971	210	109	101	10	91	—	—	—
1972	257	118	139	17	122	—	—	—
1973 *1*	271	126	145	17	128	—	—	—
2	264	126	138	19	119	—	—	—
3	266	126	140	25	115	—	—	—
4	310	128	182	20	162	—	—	—
1974 *1*	298	128	170	23	147	—	—	—
2	298	126	172	35	137	—	—	—
3	301	131	170	28	142	—	—	—
4[5]	363	126	237	51	186	—	—	—
	331	94	237	51	186	—	—	—
1975 *1*	350	110	240	64	176	—	—	—
2	331	81	250	82	168	—	—	—
Total								
1969	2,319	1.283	1,036	589	446	1,407	1,404	5
1970	2,547	1,381	1,166	712	455	1,673	1,670	3
1971	3.240	1,416	1,824	1,006	818	2,382	2,379	3
1972	3,618	1,572	2,046	1,048	998	2,291	2,288	3
1973 *1*	3,821	1.592	2,229	1,326	903	2,260	2,257	3
2	3,918	1,692	2,226	1,388	838	2,337	2,331	6
3	3,494	1,575	1,919	1,270	649	2,267	2,262	5
4	3,689	1,556	2,133	1,459	674	2,284	2,280	4
1974 *1*	3,957	1,660	2,297	1,558	739	2,231	2,226	5
2	4,155	1,437	2,718	1,720	998	2,386	2,381	5
3	4,721	1,381	3,340	1,967	1,373	2,447	2,441	6
4[5]	5,088	1,421	3,667	1,921	1,746	2,432	2,426	6
	4,634	1,053	3,581	1,835	1.746	2,500	2,494	6
1975 *1*	4,856	1,059	3,797	1,905	1,892	2,519	2,512	7
2	4,595	1,088	3,507	1,678	1,829	2,984	2,977	7

Exchange reserves in sterling; and banking and money market liabilities in sterling to holders other than central monetary institutions

Geographical analysis

TABLE 19 *(continued)*

£ million

End of period

	Exchange reserves in sterling held by central monetary institutions					Banking and money market liabilities to holders other than CMIs		
			Banking and money market liabilities					
	Total[1]	British government stocks[2]	Total	External deposits[3]	Treasury bills[4]	Total	External deposits[3]	Treasury bills
EEC countries								
1973 *1*	264	107	157	125	32	448	447	1
2	267	107	160	131	29	477	475	2
3	288	107	181	152	29	447	447	—
4	288	107	181	159	22	468	467	1
1974 *1*	280	86	194	174	20	476	475	1
2	226	84	142	132	10	543	542	1
3	267	70	197	127	70	513	512	1
4[5]	223	63	160	127	33	501	500	1
	177	60	117	84	33	518	517	1
1975 *1*	92	21	71	47	24	493	493	—
2	117	21	96	44	52	704	703[5]	1
Oil-exporting countries[7]								
1973 *1*	753	59	694	542	152	244	244	—
2	799	58	741	591	150	247	247	—
3	719	69	650	557	93	270	270	—
4	959	103	856	719	137	314	314	—
1974 *1*	1,282	265	1,017	699	318	262	262	—
2	1,868	287	1,581	960	621	270	270	—
3	2,763	398	2,365	1,413	952	299	299	—
4[5]	3,183	490	2,693	1,387	1,306	307	306	1
	3,101	423	2,678	1,369	1,309	344	343	1
1975 *1*	3,449	514	2,935	1,417	1,518	324	324	—
2	3,239	554	2,685	1,298	1,387	367	367	—
Other countries								
1973 *1*	2,533	1,300	1,233	642	591	1,568	1,566	2
2	2,588	1,401	1,187	647	540	1,613	1,609	4
3	2,221	1,273	948	536	412	1,550	1,545	5
4	2,132	1,218	914	561	353	1,502	1,499	3
1974 *1*	2,097	1,181	916	662	254	1,493	1,489	4
2	1,763	940	823	593	230	1,573	1,569	4
3	1,390	782	608	399	209	1,635	1,630	5
4[5]	1,319	742	577	356	221	1,624	1,620	4
	1,025	476	549	331	218	1,638	1,634	4
1975 *1*	965	414	551	377	174	1,702	1,695	7
2	908	432	476	254	222	1,913	1,907[5]	6

[1] Sterling reserves of overseas countries and international organisations (other than the IMF) as reported by UK banks, etc.
[2] At nominal values prior to the reporting system introduced at the end of 1974. The flows resulting from changes in holdings, shown in Table 3, are estimated at transaction values.
[3] Deposits with banks, local authorities and other financial institutions.
[4] Including certain non-interest-bearing notes.
[5] A modified reporting system was introduced at the end of 1974, giving rise to some changes of definition and coverage. In particular holdings of British government stocks are now recorded at approximate market instead of at nominal value. There were some further improvements in coverage in the second quarter of 1975 which added some £180 million to external deposits of holders other than CMIs.
[6] Excluding IMF.
[7] Algeria, Bahrain, Brunei, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, United Arab Emirates, and Venezuela.

Official reserves[1]

TABLE 20

	£ million				
	End of period				
	Total	Gold	IMF Special Drawing Rights	Convertible currencies	Reserve position in the IMF[2]
1969	1,053	613	—	440	
1970	1,178	562	111	505	
1971	2,526	323	246	1,957	
1972	2,167	307	252	1,559	49
1973 *1*	2,085	311	252	1,473	49
2	2,422	311	250	1,812	49
3	2,204	306	250	1,599	49
4	2,237	306	250	1,632	49
1974 *1*	2,226	306	250	1,621	49
2	2,318	306	248	1,715	49
3	2,476	306	280	1,810	80
4	2,345	306	287	1,666	86
1975 *1*	2,458	306	287	1,771	94
2	2,141	306	290	1,446	99

[1] Gold is valued at £14·5833 per fine ounce. Special Drawing Rights are valued at SDR 2.40 = £1. Convertible currencies are valued at parity or middle rates equivalent to $2.40 = £1 until end-September 1971; at $2.6057 = £1 from end-December 1971 to end-December 1972 and at $2.8952 = £1 from end-March 1973.

[2] Represents an automatic drawing right on the Fund and equals the amount by which the UK quota exceeds holdings of sterling by the IMF; apart from UK drawings/repurchases, it will rise or fall as other countries draw sterling from or repay sterling to the IMF.

[3] From July 1972, the official reserves were redefined to include the reserve position in the IMF. From end-April to end-June 1972 this stood at £292 million.

Official short and medium-term borrowing[1]

TABLE 21

	£ million				
	End of period				
	IMF[2]	Other official borrowing[3]		Foreign currency borrowing by HM Government[4]	Total
		Foreign currency	Sterling		
1969	1,104	150	1,410	—	2,664
1970	970	—	399	—	1,369
1971	415	—	—	—	415
1972	—	—	—	—	—
1973 *1*	—	—	—	—	—
2	—	—	—	—	—
3	—	—	—	—	—
4	—	—	—	—	—
1974 *1*	—	—	—	—	—
2	—	—	—	—	—
3	—	—	—	—	—
4	—	—	—	518	518
1975 *1*	—	—	—	863	863
2	—	—	—	863	863

[1] Figures are calculated to end-September 1971 at $2.40 = £1; from end-December 1971 to end-December 1972 at $2.6057 = £1 and at $2.8952 = £1 thereafter.

[2] Drawings from the IMF, excluding interest and charges, and net of repayments and drawings of sterling from the IMF by other countries, see Table 14, Official financing, and Table 15, UK account with IMF. From July 1972, excludes transactions affecting the UK gold tranche.

[3] Borrowing from other monetary authorities in the form of foreign currency deposits and assistance with a sterling counterpart.

[4] Drawings on a euro-dollar facility for HM Government to borrow $2,500 million.

Structure of company financing

J L Walker, *Statistician*, Department of Industry[1]

I. Introduction

This article discusses, from the point of view of economic analysis, the presentation of the sources and uses of funds of industrial and commercial companies in aggregate and the major problems involved, together with an outline of the available statistical information on sources and uses of funds. This is followed by a description of the changes over the last decade in the main sources of finance and in the main use of funds to purchase fixed assets, stocks, additions to working capital and other forms of investment. Whatever presentation is adopted, it is not possible to do more than show how companies raised money and how these total funds were spent. The statistical information is only a historic record of what happened and cannot show how much money companies wished to raise and spend; nor does it show for what purpose particular funds were acquired, nor how particular expenditure was financed.

In any presentation the first step is to determine what sources and uses of funds should be distinguished and to what extent there should be prior 'netting out' of like items. 'Netting out' involves either offsetting a particular type of expenditure against a particular source of funds, such as dividends being charged against profits rather than being treated as a general use of total funds, or *vice versa* where a particular type of income is offset against expenditure on similar items, such as creditors being offset against debtors and not treated as part of the sources of finance. The presentation adopted here is a simplified one designed to illustrate the main sources and uses of finance and their relative importance. This format, as with any other presentation involving some 'netting out', is open to some criticism. There are a number of ways of compiling sources and uses statements to meet particular purposes and the method adopted here may not always be suitable for other purposes, such as for examining the position of an individual company as opposed to companies in aggregate. The Accounting Standards Steering Committee (ASSC) have recently issued a Statement of Standard Accounting Practice on 'Statements of source and application of funds', the purpose of this Statement being to show clearly the sources and uses of funds by individual companies. The examples in the Statement use a method not dissimilar to that adopted here but which differs in a number of respects mainly because of the different objective of the ASSC approach. It is not proposed to adopt the simplified format used in this article for the Business Monitor, M3, *Company Finance*, as the present M3 presentation has less 'netting out' and is thus more flexible for users should they wish to re-arrange the data to meet their own needs.

II. The data available

There are two sources of statistics on the sources and uses of funds by non-financial companies in aggregate:

i Department of Industry (DI) analysis of the published accounts of large listed[2] and unlisted companies published annually in Business Monitor, M3, *Company Finance*.

ii Quarterly data on the sources and uses of funds of industrial and commercial companies published in *Financial Statistics*. These data form part of the national accounts.

Figures of sources and uses of funds based on these two sources, using as far as possible a common form of presentation, are given in Tables 1 to 6 with Charts 1, 2, 5 and 6 showing the trends in, and Charts 3, 4, 7 and 8 showing the relative importance of the main sources and uses of funds. Tables 1 and 2 relate to all companies in the DI analysis, Tables 3 and 4 just to the manufacturing companies in the DI analysis, and Tables 5 and 6 cover all industrial and commercial companies based on the national accounts data.

DI analysis of company accounts

The DI analysis of the published accounts of large listed and unlisted companies is restricted to companies operating mainly in the United Kingdom in manufacturing, distribution, construction, transport and certain other services. Companies whose main interests are in agriculture, mining, shipping, insurance, banking, finance and property and those companies operating wholly or mainly overseas are not included. The analysis is, wherever possible, based on the consolidated accounts of groups of companies and thus includes any overseas subsidiaries of the companies in the analysis. The main advantage of this information is that it is drawn directly from company accounts which are a comprehensive source and provide a balanced account of sources and uses of funds. But the figures also suffer from the lack of precision in company account data. In particular in some cases the figures include the effect of 'window dressing' whereby bank loans and overdrafts are reduced as much as possible for the balance sheet date at the end of the accounting year. Also, the figures relate to companies accounting periods ending in the fiscal year so that the time period covered ranges over nearly two years. For instance, the analysis for 1972 includes some accounts with accounting years ending in April 1972 and others with accounting years finishing on 5 April 1973. Thus any changes occurring in the calendar year can be spread over two analysis years, which can make it difficult to distinguish changes and to be precise about their timing. This is particularly important when trying to examine the financial picture as this can be very volatile.

It should be noted that the figures of sources and uses of funds compiled for the DI analysis show the changes in assets and liabilities after removing as far as possible the effects of takeovers, revaluations of assets, profits on the sale of fixed assets and investments, and amounts written off stocks, debtors, fixed assets and investments. The figures

[1] The author would like to acknowledge the considerable assistance received in the preparation of this article from colleagues throughout the Government Statistical Service.

[2] Listed companies are companies whose securities have been admitted to the Official List of the Stock Exchange; these were formerly referred to as quoted companies.

therefore differ from just the changes between consecutive balance sheets because, for instance the increase in reserves would include any amounts in that year for revaluations of fixed assets and stocks, etc., any profit or loss on the disposal of assets, and any undistributed profits of subsidiaries at the time they were acquired. Similarly, the increase in fixed assets between consecutive balance sheets would be net of the depreciation charge and before deduction of the profit/loss on the sale of fixed assets, as well as including any increase due to subsidiaries acquired during the year. The effect of acquisitions is excluded in the DI analysis by taking the change in the assets and liabilities of the acquiring company between its current and previous year's balance sheet *less* the assets and liabilities shown as being held by the acquired company in its last balance sheet before being acquired. These assets and liabilities of the acquired company will in most cases have changed slightly between the last balance sheet date and the date of purchase and this unidentified change is included in Adjustments due to consolidation in Tables 1 to 4. In some cases it is not possible to identify the assets held by the acquired company, such as for instance when it is an overseas company, and these unidentified assets are also included in Adjustments due to consolidation. This means the figures of sources and uses of funds from the DI analysis are not entirely precise. It would be possible to distribute the consolidation adjustment in proportion over all the uses of funds and certain sources but this has not been done as the results would still be somewhat arbitrary.

Another complication is that the population of companies covered by the DI analysis changes from year to year. In most years the changes are slight as they arise only from take-overs and liquidations. But in 1970 the change was substantial because the series was rebased to cover all companies within its scope with net assets of £2 million or more or gross income of £200,000 or more in 1968; prior to 1970 the limits were £0·5 million net assets and £50,000 gross income in 1964. There is a further change in 1973 as the statistics cover only listed companies; the 1973 unlisted company figures are not yet available. For each year comparable figures are produced as far as possible for the same population of companies for the previous year and in Tables 1 and 3 both sets of figures have been given so that more appropriate comparisons can be made. These changes make it difficult to see to what extent the various items have grown over the period and in Charts 1 and 2 the main components for all the companies in the analysis have been expressed as a continuous series by linking cumulatively the change between the final figure for each year and its comparable figure for the previous year to the 1964 level.

National accounts data

The sources and uses of funds data which form part of the national accounts relates, in principle, to all industrial and commercial companies resident in the United Kingdom. Moreover the account is a consolidated one for all industrial and commercial companies so that, for example, dividends passing between resident industrial and commercial companies do not appear in the figures. The DI data in contrast, are only consolidated to the extent that they are taken from the consolidated accounts of groups of companies so that, for example, dividends passing between two groups of companies are included in the figures. Also the national accounts data because they relate only to the UK activity of companies do not include their overseas operations and instead show explicitly certain transactions between the UK parent and their overseas subsidiaries such as trade credit advanced and received, unremitted profits, and direct investment in these overseas subsidiaries. The DI analysis on the other hand is based on the consolidated accounts for the group including any overseas subsidiaries so that financial transactions between the UK parent and their overseas subsidiaries are intra-group transfers and do not appear in the figures. The effect of these differences in coverage and treatment is commented on further in respect of individual items.

The national accounts figures for industrial and commercial companies are not drawn from a common source and the quality of the information varies considerably. Details of the sources used to compile the various estimates are given in *National Accounts Statistics: Sources and Methods,* Chapters VII and XIV. In some cases estimates are available only for all companies (including financial companies) and estimates for industrial and commercial companies have to be obtained as the balance after identifying the financial companies' element. The identified group of financial companies is not comprehensive (nor is it particularly consistent over time) so that, to a limited extent, the activities of some financial companies are reflected in the figures for industrial and commercial companies. Changes in some financial assets and liabilities are estimated by residual and are the balance left after deducting identified transactions by all other sectors. More importantly, not all financial assets and liabilities are covered by the statistics, the most important being trade debtors and creditors other than overseas. The extent of errors and omissions in the national accounts data is revealed by the discrepancy between total sources and total uses of funds, and an amount for unidentified items, which can be very large, is required to balance the accounts (see Tables 5 and 6).

III. Method of presentation

Statistics on the sources and uses of funds by companies identify on the one hand how funds are obtained and on the other how they are used. Unfortunately it is not quite this simple and there are a number of problems in determining to what extent there should be prior 'netting out' of like items and also of deciding on which side of the account items should appear. This section explains the presentation adopted in the accompanying tables, which has been determined by the need for analysing changes in the sources of funds available to finance expenditure on fixed assets, working capital and other investment and the need for a clear and reasonably simple presentation. The DI analysis of company accounts is considered first as it provides comprehensive data on both sources and uses. The national accounts data have then been presented in as similar a way as possible to this.

The presentation is important because the relative importance of different sources and uses is dependent upon the extent of prior 'netting out' of like items. There is

already some 'netting out' in the basic data, because for instance, profits are after deducting labour, materials and other operating expenses, while expenditure on fixed assets is estimated net of receipts from sales of these assets. Some further 'netting out' is desirable in order to simplify the presentation and to bring out the major changes, despite the fact that any 'netting out' tends to imply some relationship between items, even though the statistics do not show for what purpose particular funds were used.

One other problem is that any item can change from an increase in one year to a decrease in the next. For instance, creditors or debtors may increase or decrease, the trading profit may become a trading loss, bank borrowing may be repaid or the sale of fixed assets exceed purchases. When this happens an item which is normally a use of funds could be moved to the other side of the account so that it is shown as a source of funds and *vice versa* for an item which is normally a source of funds. However, this form of presentation would make it very difficult to distinguish changes and in this article each item is shown on only one side of the account as either a source or use of funds, and some items therefore change from being positive to negative.

Sources of funds

One of the important sources of funds is internal finance. There is a question of whether this should be before or after deducting payments of tax, dividends and interest. In the national accounts presentation of the company sector appropriation accounts, undistributed income is shown as income before depreciation but after deduction of tax, dividend and interest payments. On the other hand, the DI presentation of sources and uses of funds in M3 shows these payments as a use of funds. The purpose of this article is to show how companies use their funds for the purchase of fixed assets, working capital, and other investment, and as such internal funds have been taken here as being the amount available for use in a business from its trading and other revenue activities after deducting all current costs associated with trading, including tax, dividend and interest payments as well as labour and material costs. In Tables 1, 2, 3 and 4, based on the DI analysis, the internal funds have been defined as trading and other revenue income net of depreciation, *plus* the depreciation provision and other capital receipts, *less* tax, dividend and interest payments and *less* Other expenditure on capital account.

Although this latter item is not entirely similar to other payments out of income, much of it can be regarded as current expenditure; it consists of expenses on share or loan issues, amounts written off current assets where the particular asset affected cannot be identified, expenditure charged direct against reserves, and any decrease in minority interests other than that due to the purchase of minority interest by the group. Any increase in minority interests due to sales of shares by a subsidiary to outsiders is included in other capital receipts. Sales or purchases of minority interests by the group are not included in the change in minority interests but in purchases of subsidiaries, and so form a use of funds. Other capital receipts consist largely of those investment grants and other capital grants received from the Government which are identified separately in each company's accounts. Investment grants replaced, and were themselves replaced by a system of taxation allowances on certain capital expenditure. These grants are therefore akin to taxation allowances on capital expenditure, and have been included in internal funds because taxation payments are deducted from income in arriving at internal funds. This treatment gives a more consistent time series for the importance of internal funds. Other capital grants have been included with investment grants because they are very similar and although they do not affect the tax charge are more akin to the taxation allowance on capital expenditure[3]. Another reason for including investment and other capital grants in internal funds is that these do not normally have to be repaid and thus effectively form part of the income accruing to the company.

The tax, dividend and interest charges are treated on a payments basis rather than the accruals basis used for charging these items in company accounts. If the accruals basis were used it would complicate the picture by requiring the difference between payments and amounts charged to be included under creditors in the use of funds table. It would be possible to go further and estimate retained income completely on a cash flow basis. There is no rigorous definition of cash flow income but it is usually taken to mean the cash actually received from trading *less* the amount actually paid out for wages and salaries, tax, dividends, materials, etc, and a good measure of this can be obtained from company accounts by excluding increases in stocks and debtors and adding back the increases in creditors to retained accruals profits. Then if the net amounts paid out for capital assets and investments *plus* any repayments of loans is deducted from the cash flow income, the resulting balance represents the external finance that has had to be raised. This approach is alright when considering the amount of additional external finance required but is not satisfactory when examining the structure of sources and uses of funds, where it is useful to bring out the needs for additional working capital. Also, income on a cash flow basis would tend to suggest that all the changes in working capital are met out of retained income, whereas in fact bank loans are often used to finance part of working capital, although to what extent cannot be distinguished from the statistics.

In the tables for this article dividend payments have been calculated net of income tax in all years in order to secure approximate comparability over time in these payments, and the tax paid on the dividends has been included in taxation payments. Companies in their accounts recorded dividends net of income tax prior to the introduction of corporation tax in 1966, after which they were shown gross of tax until 1973 when, following the introduction of the Imputation System of Corporation Tax from 6 April 1973, companies again recorded dividends net of tax. To secure approximate comparability over time in tax and dividend payments it is necessary either to adjust the 1966 to 1972 dividend figures to a net of tax basis as here or to adjust the pre-1966 and post-1972 figures to a gross of tax basis. Exact comparability cannot be achieved by either method as the adjustments are inevitably approximate but the former method has been adopted as it has the advantage of requiring no adjustment to the latest figures.

The main sources of external funds distinguishable from company accounts are bank borrowing and cash issues of

[3] For fuller details see 'Estimating companies' rate of return on capital employed', *Economic Trends*, November 1974, page xxxiv.

shares and loans. It could be argued that external funds should also include issues of shares and loans in exchange for subsidiaries. These shares, however, cancel out against the corresponding item in the uses of funds and are really only a bookkeeping transaction and do not affect the amount the company has to borrow to meet its other requirements. For the purpose of this article they have been omitted from both sides of the account.

Another item which might have been included as part of external funds is the increase in money owed to creditors. In M3 this is shown as a source of funds while the increase in money owing from debtors is shown as a use. These two are interdependent and tend to move together, partly because the credit received by one company is included in another's debtors, and to include creditors in external funds could overstate the importance of these funds. An alternative would be to show the net increase in creditors *less* debtors as a source of funds when positive, that is when the additional credit taken is greater than that given, and as a use of funds when negative. However, as explained above this would make it difficult to distinguish changes and trends, and for these reasons both creditors and debtors have been treated here as a part of working capital along with other uses of funds.

Uses of funds

As far as uses of funds are concerned, the figures in Tables 1 to 4 for the companies in the DI analysis have been compiled to show four main categories: expenditure on fixed assets, cash acquisition of subsidiaries, changes in working capital, and other investment expenditure. This breakdown has been chosen to highlight the main components of company expenditure, and in particular those of interest from an economic point of view. Working capital has been defined here as stocks, liquid assets and debtors *less* creditors. Working capital is normally defined as current assets *less* current liabilities; that is stocks, liquid assets, and debtors *less* all creditors and bank loans and overdrafts. However, bank loans and overdrafts in the tables here have been treated as part of external finance. Part of the liquid assets should possibly be included with investments in other expenditure because, particularly in recent years, cash or near cash was considered as a form of investment. It is not possible in the company accounts analysis to separate this from the cash companies hold for the day-to-day running of their business, and all liquid assets have therefore been included in working capital.

The importance of internal funds and expenditure on stocks is shown here before deducting stock appreciation. Stock appreciation represents the difference between the original purchase price of stocks of materials used in production—the basis used by companies in striking their profits—and the current replacement cost of those stocks at the time of use. Companies calculate the cost of materials used as the cost of purchases during the year *plus* the value of stocks held at the beginning of the year *less* the value of stocks held at the end of the year, with opening and closing stocks being valued generally on a 'first in, first out basis' at the lower of cost or market prices. However, the difference between the purchase and replacement price, that is stock appreciation, represents the additional money a company has to find to maintain the physical volume of its stocks. In the tables no adjustment has been made to deduct from internal funds and the uses of funds either stock appreciation or the money required to maintain the physical volume of fixed assets—that is the depreciation charge on fixed assets at current replacement prices—because the purpose of this article is to show the total internal funds available and the total expenditure on assets, and not the profit at current replacement costs available for distribution by companies.

On the other hand stock appreciation has been a major factor in causing the expenditure on stocks to increase, particularly in recent years, and so an approximate estimate of stock appreciation for each year is given in a footnote to the tables. There is unfortunately insufficient information available in company accounts to enable a direct estimate of stock appreciation to be made but it was possible to make use of the national accounts estimates of stock appreciation to derive the approximate estimates given in Tables 1 to 4 for the companies in the DI analysis of company accounts. These estimates are very approximate as the changes in stocks reported by the companies in the DI analysis do not always correspond closely with those estimated for all companies in the national accounts. However, the estimates serve to illustrate the importance of stock appreciation which in 1964 accounted for around 6½ per cent of total funds of these companies rising to around 30 per cent in 1973.

Difference in the basis of national accounts estimates

The national accounts data has as far as possible been re-arranged to conform to the presentation outlined above for the company accounts data. The definition of many of the items differs slightly from those obtained from company accounts, as is explained in the notes to Tables 5 and 6. One major point of difference, already referred to, is in the treatment of overseas subsidiaries of UK companies. The group accounts used in the DI analysis consolidate in any overseas subsidiaries and the profits, expenditure on fixed assets, stocks, etc., relate to the total earnings and expenditure by the group including that for the overseas subsidiaries. Intra-group transfers between the UK parent and their overseas subsidiaries therefore do not appear in the consolidated figures. The national accounts data on the other hand do not consolidate in overseas subsidiaries as the figures relate only to the UK activities of companies and the estimates of gross trading profits, expenditure on fixed assets, stocks, etc., relate to only UK earnings and purchases. Because the national accounts estimates do not consolidate in overseas subsidiaries they show separately the financial transactions between the UK parents and their overseas subsidiaries. These can be split into three main components, profits earned abroad and remitted to the United Kingdom, profits earned abroad and not remitted, and other intra-company investment in these overseas subsidiaries. In the national accounts company sector appropriation account both the remitted and unremitted profits earned abroad are included as part of income from abroad and are thus included in undistributed income. The unremitted profits are then shown as an outflow forming part of intra-company investment in the uses of funds. However, these unremitted profits held abroad are not available to purchase fixed assets, stocks, etc, in the United

Kingdom and in order to estimate the internal funds available to purchase assets in the United Kingdom these unremitted profits have been excluded from the estimates of internal funds in Tables 5 and 6. The figures for intra-company investment overseas in this article therefore exclude unremitted profits. In this respect the figures in Tables 5 and 6 differ from those in Tables 1 to 4, since in these the figures from consolidated company accounts will include in internal funds the total profit of subsidiaries, and in uses of funds the subsidiaries' expenditure on fixed assets, etc.

Similarly for the UK subsidiaries of overseas companies an adjustment has been made in this article to the national accounts data to include in internal funds the unremitted profits held in the United Kingdom by these subsidiaries as this money is available for use in the United Kingdom. In the company sector appropriation account in the national accounts these unremitted profits form part of profits due abroad, and thus are deducted in deriving undistributed income. They are then shown as an inflow forming part of intra-company investment in the United Kingdom in the sources and uses of funds. In this article only the intra-company investment other than unremitted profits held in the United Kingdom has been shown as part of uses of funds. In the DI analysis the accounts of UK subsidiaries of overseas parents do separately distinguish intra-company investment other than unremitted profits between themselves and their parent. These are recorded as appropriate under long-term loans or creditors, or debtors where there is a net outflow of funds. The unremitted profits due to the overseas parents are recorded in the UK companies' accounts as part of undistributed income and thus form part of internal funds. A major part of intra-company investment other than unremitted profits both in the United Kingdom and overseas consists of short-term credit, and for this reason it has been included as part of working capital in Tables 5 and 6. Another major point of difference is for loans other than bank borrowing; those from the Stock Exchange are separately distinguished from other loans and mortgages in the national accounts figures while in the DI analysis, loans from the Stock Exchange are included indistinguishably with other long-term loans, and short-term loans are included in creditors.

IV. Changes in the sources and uses of funds

The information on sources and uses of funds is presented in £ million in Tables 1, 3 and 5 and then as a percentage of total sources or uses in Tables 2, 4 and 6, and Charts 3, 4, 7 and 8. Care is needed in the use of the percentages because, for example, a marked change in the importance of one source may reflect a corresponding change in a use of funds and can mask the changes in the other sources or uses of funds. For instance, in 1972 the national accounts data showed a large fall in the importance of internal funds, although they increased by 22 per cent in money terms. This is because there was a large increase in bank borrowing, much of which was probably reinvested in liquid assets (notably deposits) in order to take advantage of the favourable differential in the rate of interest at that time. The figures for manufacturing companies taken from the DI analysis are given in Tables 3 and 4; they form the greater part of the total for all companies covered by the analysis and their composition is generally very similar; for this reason the comments below on the DI analysis are confined to the figures for all the analysis companies given in Tables 1 and 2.

The broad features of the DI analysis of large companies' sources and uses of funds are very similar to those for all companies from the national accounts data. This is because the companies in the DI analysis dominate the sources and uses of funds by all companies, as they are thought to account for something like three-fifths to two-thirds of the net assets of all industrial and commercial companies. The two sets of figures do, however, differ marginally partly because of differences in the coverage, timing, and the definition of items, and the existence of the 'consolidation adjustment' in the DI analysis and the 'unidentified items' in the national accounts data. This means the comparisons between the two sets of data cannot be precise.

The movement in the main components of sources and uses of funds are shown in Charts 1, 2, 5 and 6. Both sets of data show little change or a fall in total sources of funds 1964 to 1967; an increase 1967 to 1969 as output increased; little change or a fall 1969 to 1971 with the slowing down in output; and a rapid rise after 1971 to which both internal and external funds contributed. Part of this rise was associated with the increase in output in 1972, but some of it reflected the rapid increase in prices after 1971 and the need to increase funds in order to maintain the same volume of expenditure. Expenditure on stocks which tends to be volatile rose sharply after 1971 with the increase in prices, and the money spent on fixed assets, the most important item of expenditure, also rose but at a slower rate than total sources of funds. Another factor affecting the increase in sources of funds was that companies were increasing their investment in liquid assets from 1971 onwards. The national accounts estimates suggest the total sources of finance fell in 1974, thus ending the rapid increase of 1971–73. This was almost entirely due to a reduction in external funds, associated mainly with a reduction in expenditure on liquid assets, and a slowing down in the rate of growth of internal funds.

Sources of funds

The most important source of company finance is internal funds. Of course, the exact proportion it forms of total funds depends on how the 'netting out' of the various items is done, but the figures in the tables suggest that internal funds as a proportion of total funds fluctuates according to the position in the economic cycle, being high at the peak of the profits cycle and low in the trough. On this presentation the figures suggest that internal funds accounted for somewhere between two-thirds and four-fifths of total funds over the period 1964–70 for the DI analysis and up to 1971 for the national accounts series; thereafter the two series diverge in opposite directions from the level in the 1960s. After 1970 the DI analysis shows internal funds rising to over 80 per cent of total sources in 1971 and 1972 before dropping back in 1973 to a level comparable to the 1960s. The national accounts series on the other hand remained at the 1960's level in 1971 but in 1972 and 1973 internal funds

dropped to around 55 per cent of total sources before showing an increase to 63 per cent in 1974. The reason for this divergence was mainly in the bank borrowing figures. The national accounts figures showed an amount of bank borrowing by all industrial and commercial companies similar in 1971 to that in earlier years, followed by exceptionally large borrowings in 1972 and 1973, thus depressing the importance of internal funds relative to external funds in 1972 and 1973. In contrast the companies in the DI analysis showed a reduction in bank borrowing in 1971 and only a small increase in 1972, thus increasing the relative importance of internal funds in both these years; these accounts did not record any substantial increase in bank borrowing until 1973. The national accounts data shows also a large increase in liquid assets over the two years 1972 and 1973, which suggests that the company sector as a whole was heavily engaged in arbitrage operations of borrowing from the banks on overdraft and lending this back at a higher rate of interest through time deposits and certificates of deposit. The DI companies also recorded a very large increase in liquid assets in 1972 with a further substantial but smaller increase in 1973. The DI survey of company liquidity which covers some 200 large companies also recorded similar movements to those companies in the DI analysis of accounts, i.e., a reduction in bank borrowing in 1971 and no substantial increase until 1973, and a very large increase in liquid assets in 1972 with a further substantial, although smaller, increase in 1973. This divergence with the national accounts figures may be indirectly linked with the new credit control arrangements for the banking system which were introduced at the end of the third quarter of 1971. With the new system bank borrowing became more freely available and expanded rapidly in total for all industrial and commercial companies but different groups of companies appear to have reacted in diverse ways to the new situation. Neither the liquidity survey companies nor the companies in the DI analysis appear to have made use of the easier borrowing conditions. The reduction in 1971 and the small increase in 1972 in bank borrowing by the companies in the DI analysis was fairly evenly spread over the different industrial sectors, although more marked in manufacturing than non-manufacturing. This suggests that the increase in bank borrowing was largely by companies not included in the DI analysis, including smaller companies, 'fringe' financial companies and property companies.

Some of the divergence between the DI analysis and the national accounts data in 1972 is also due in part to the fact that some companies, and in particular those with financial years ending after September 1972, delayed payment of dividends that would have otherwise been distributed in their financial year ending 1972 until their following financial year in order to take advantage of the introduction of the Imputation System of Corporation Tax from 6 April 1973. This had more effect on the DI company accounts figures as these relate to companies' financial years ending between 6 April 1972 and 5 April 1973 while the national accounts data relate to calendar years. However, in 1973 dividends by the companies in the DI analysis then showed a much greater increase than for all industrial and commercial companies in the national accounts estimates as the dividends withheld were paid. This helped to reduce the importance of internal funds in 1973 in the DI analysis.

From the data for 1964 to 1970 it seems the underlying level of internal funds relative to total funds remained fairly stable over the 1960's apart from cyclical changes. The divergence in 1972 and 1973 between the two sets of data makes the position now unclear. However, in 1973 the companies in the DI analysis returned to the levels of the 1960's and they will probably remain in this range in 1974 providing the bank borrowing by these companies increases at a similar rate to that experienced by both industrial and commercial companies and those in the liquidity survey. In addition the national accounts series for 1974 also shows a return to a level of internal funds relative to external funds not markedly lower than in the 1960s, due mainly to liquid assets being reduced, suggesting again that companies may be returning to a level of internal funds relative to external funds comparable to that in the 1960s.

The importance of internal funds as discussed above and as shown in the tables is before deducting stock appreciation and depreciation at current replacement costs—that is before deducting the charges necessary to maintain the physical assets of the company—as the purpose of this article is to examine the total funds and total expenditure. If, however, these charges were deducted so as to show the internal funds available to finance only growth in the quantity or volume of fixed assets and stocks and any increase in other working capital and investments then the importance of internal funds would be lower and falling as shown below:

Internal funds as a proportion of total funds

Per cent

	DI analysis of company accounts Companies in manufacturing, distribution, etc.		National accounts data All industrial and commercial companies		
	Before deducting stock appreciation and depreciation at current replacement costs	After deducting stock appreciation from internal and total funds	Before deducting stock appreciation and depreciation at current replacement costs	After deducting stock appreciation from internal and total funds	After deducting stock appreciation and depreciation at current replacement costs from internal and total funds
1964	76	74	69	67	55
1965	67	64	71	69	57
1966	69	67	76	73	58
1967	74	73	78	77	63
1968	76	73	74	72	59
1969	68	63	72	68	52
1970	70	62	68	62	38
1971	86	82	73	69	47
1972	83	80	56	50	31
1973	70	60	55	44	26
1974	..	..	63	40	0

The national accounts figures for 1972, 1973 and 1974 are affected by the heavy bank borrowing, but even allowing for this the proportion of total funds used to finance the real growth actually achieved by companies accounted for by internal funds has clearly declined since 1968 with the faster rise in prices since the end of the 1960's, while external funds have increased in importance. Part of the very large reduction in 1974 is due to the very high level of stock appreciation in that year.

The principal components of external funds are long-term loans and bank borrowing. Cash issues of ordinary shares are not a very important source of finance in terms of size, even for the large and mainly listed companies covered by the DI analysis. The cash raised by issues of shares is associated with the movements in share prices, being high when share prices are high and low when share prices are low. However, new issues of ordinary shares have an importance greater than just the amount of money raised because they increase the value of companies' equity and affect their gearing, that is the ratio of loan capital to equity. These new issues therefore enable companies to either reduce their gearing to what they consider to be a more appropriate level, or provide the basis for more borrowing of loan capital. In 1974 the depressed share market made new issues of ordinary shares for cash very expensive and companies had to rely heavily on bank borrowing, thus increasing their level of gearing. The recent spate of rights issues will help reduce gearing ratios to more acceptable levels. Issues of long-term loans and preference shares increased in importance in 1965 to 1967 mainly because, following the tax changes introduced in 1965, long-term loans became more advantageous than previously. After 1967 their importance declined a little probably because companies had reached a new level of gearing which they thought more appropriate.

External funds have grown at a somewhat similar rate to internal funds before allowing for stock appreciation and depreciation. The importance of these funds, of course, fluctuates with the economic cycle, tending to reach a peak relative to internal funds in the year following the peak in the profit cycle. The data only covers 10 years, which makes it very difficult to draw firm conclusions, but this data is not inconsistent with the idea that companies are only prepared to borrow up to a certain point relative to internal funds, beyond which the gearing ratio becomes unacceptable.

Uses of funds

The main use of funds is for the purchase of fixed assets. Expenditure on fixed assets is cyclical and tends to continue to rise at a fast rate in the year following the peak of the cyclical increase in profits. The figures suggest that purchases of fixed assets accounted for between 45 to around 80 per cent of total funds for the large companies and 35 to 65 per cent for all companies. This difference is probably due to differences in coverage and definition and the existence of the 'consolidation adjustment' and the 'unidentified items'. One difference in coverage for instance is that the DI analysis covers all expenditure on fixed assets including that by overseas subsidiaries while the national accounts data relate only to UK expenditure on these assets.

Expenditure on fixed assets is of a similar order of size to internal funds. While internal funds are not necessarily used to finance expenditure on fixed assets, and may be required for other purposes, since internal funds are so important their size affects the most important use of funds, that is the expenditure on fixed assets. Also in times of financial squeeze internal funds are depressed and companies tend to react to financial pressures by cutting back fixed investment. In addition the availability of internal funds is a reflection of profitability and the decision to invest is dependent on the assessment of future profitability.

The cash expenditure on subsidiaries fluctuates considerably from year to year, as does the total amount spent on subsidiaries. There is no rigorous relationship as to the proportion paid for by shares and loans issued in exchange except that these tend to be higher when other share issues are also higher, that is when share prices are high, although they are much more variable from year-to-year than shares issued for cash. As a proportion of total funds the cash expenditure on subsidiaries has ranged from 7 to 11½ per cent for all industrial and commercial companies over the last decade, and from 5 to 11½ per cent for just the large companies in the DI analysis.

The other important use of funds is to finance stocks. The increase in stocks (including stock appreciation) has averaged 16 per cent of total uses of funds over the period 1964 to 1972 for all industrial and commercial companies, although somewhat higher for the large companies in the DI analysis. In both cases around three-fifths of this expenditure was accounted for by stock appreciation. However stockbuilding is very cyclical in nature causing the increase in the book value of stocks to fluctuate considerably from year to year. In recent years this has been affected also by the much higher levels of stock appreciation. In 1973 expenditure on stocks rose sharply to 27 per cent of total funds for all industrial and commercial companies and to over 40 per cent for the companies in the DI analysis, with stock appreciation accounting for around three-quarters of the expenditure on stocks. There was a further sharp increase in 1974 to 47 per cent of total funds for all industrial and commercial companies, with stock appreciation accounting for just over 80 per cent of the expenditure on stocks.

Both debtors and creditors can be a source or a use of funds. The large companies in the DI analysis in the years 1964 to 1968 were net suppliers of credit, that is the increase in debtors was greater than creditors, but the position after that was reversed with these companies becoming net receivers of credit in 1970, 1971 and 1973. This reversal may have come about and have continued because of the action taken in 1969 to 1971 by companies to improve their liquidity position following the liquidity pressures during that period. In 1972 they were by a small margin net suppliers, and in 1969 the increase in debtors was about equal to the increase in creditors. Within this the large listed companies in the analysis became net receivers of credit in all the years 1969 to 1973 but the large unlisted companies were only net receivers of credit in 1970 and 1971, being net suppliers in 1969 and 1972. No figures are available for unlisted companies in 1973 but even if they remain net suppliers this is unlikely to offset the very large amount of net credit taken by listed companies.

Increases in working capital as a whole for the large companies prior to 1970 averaged around a quarter of the

total increase in funds and had grown at a similar rate to total funds. With the marked change in the debtors and creditors position and the increase in liquid assets in 1971 and 1972 and to a lesser extent in 1973, it is difficult to draw any firm conclusions about the relationship between working capital and expenditure on fixed assets. However, working capital must be expected to keep up with changes in turnover and hence must reflect the increases in prices in recent years.

APPENDIX

Sources and uses of funds of large listed and unlisted companies in manufacturing distribution and other services [2]

TABLE 1

£ million

	1964	1964	1965	1965	1966	1966	1967	1967	1968	1968	1969	1969	1970	1970	1971	1971	1972	1972	1973[2]
No. of companies[3]	3,169	3,140	3,045	3,015	2,938	2,895	2,800	2,750	2,606	2,555	2,446	2,000	1,938	1,919	1,851	1,825	1,754	1,158	1,116
Sources of funds																			
Net trading income[1, 4]	2,696	2,673	2,657	2,653	2,499	2,466	2,577	2,570	3,102	3,084	3,075	3,151	3,060	3,055	3,489	3,490	4,630	3,919	4,926
Other income	154	153	190	187	168	163	181	180	228	227	266	260	314	313	319	316	385	341	509
Depreciation[5]	905	897	1,012	1,007	1,097	1,044	1,124	1,121	1,254	1,248	1,332	1,322	1,432	1,431	1,595	1,591	1,763	1,419	1,635
Gross income	3,755	3,724	3,859	3,848	3,764	3,673	3,882	3,872	4,584	4,559	4,673	4,733	4,806	4,799	5,403	5,397	6,778	5,678	7,070
Other capital receipts	52	53	53	53	48	44	388	390	370	368	349	349	390	390	305	304	291	229	256
Taxation payments[6]	− 997	− 989	−1,121	−1,096	−1,081	−1,059	−1,311	−1,305	−1,450	−1,439	−1,576	−1,584	−1,798	−1,993	−1,679	−1,676	−1,496	−1,257	−1,453
Dividend payments (net of tax)[6]	− 713	− 705	− 754	− 752	− 685	− 666	− 594	− 592	− 634	− 630	− 635	− 629	− 634	− 633	− 688	− 686	− 563	− 488	− 870
Interest on long-term loans	− 133	− 131	− 153	− 150	− 190	− 179	− 225	− 224	− 267	− 266	− 307	− 307	− 336	− 336	− 392	− 392	− 438	− 394	− 480
Other expenditure on capital account[7]	− 67	− 67	− 57	− 56	− 76	− 76	− 79	− 80	− 97	− 95	− 122	− 118	− 109	− 106	− 123	− 122	− 154	− 139	− 101
Total internal funds	1,897	1,885	1,827	1,846	1,779	1,737	2,060	2,060	2,507	2,497	2,382	2,445	2,319	2,321	2,826	2,825	4,418	3,629	4,422
Bank borrowing	280	273	460	457	253	243	71	73	256	250	603	616	603	601	− 139	− 136	370	300	1,335
Ordinary shares issued for cash[8]	139	138	87	86	100	100	104	103	290	288	211	236	98	98	135	135	205	173	36
Preference and long-term loans[8]	198	194	350	348	438	454	535	532	233	231	320	336	317	303	467	462	321	267	529
Total external funds	617	605	897	890	792	798	710	707	779	769	1,134	1,189	1,018	1,002	463	462	896	740	1,899
Total sources of funds	2,513	2,490	2,724	2,737	2,570	2,535	2,770	2,767	3,285	3,266	3,517	3,633	3,337	3,324	3,288	3,286	5,314	4,369	6,322
Uses of funds																			
Tangible fixed assets	1,663	1,651	1,915	1,905	1,776	1,728	1,832	1,830	2,050	2,038	2,279	2,320	2,585	2,592	2,649	2,648	2,747	2,125	2,956
Acquisition of subsidiaries	525	526	510	509	407	408	779	780	1,724	1,711	906	911	872	871	915	915	1,675	1,653	1,108
less Shares & loans issued in exchange	− 236	− 234	− 276	− 275	− 274	− 274	− 555	− 555	−1,421	−1,418	− 682	− 715	− 630	− 630	− 563	− 563	−1,183	−1,180	− 597
Cash cost of acquisitions	290	291	235	234	132	133	224	225	302	293	224	196	242	241	351	351	493	473	512
Working capital																			
Stocks[1]	673	663	712	709	388	386	347	346	586	589	981	1,025	1,047	1,039	446	439	823	755	2,694
Liquid assets[9]	− 70	− 65	− 101	− 104	21	29	169	169	134	130	89	95	− 35	− 49	414	412	935	847	555
Debtors[10]	781	775	707	715	629	618	821	820	1,044	1,058	1,238	1,297	1,032	1,027	− 233	− 236	1,335	1,109	2,480
Creditors[10]	− 732	− 728	− 664	− 645	− 429	− 403	− 610	− 607	− 856	− 866	−1,269	−1,272	−1,530	−1,540	− 334	− 327	−1,296	−1,198	−3,189
Debtors *less* creditors[10]	49	48	43	71	201	215	211	213	188	192	− 32	25	− 498	− 512	− 568	− 563	39	− 90	− 709
Total	652	645	654	676	609	629	728	728	909	910	1,038	1,145	514	478	292	289	1,796	1,512	2,539
Other expenditure																			
Investments	33	28	− 10	− 9	69	63	38	38	86	86	19	32	44	58	113	116	362	340	422
Intangible assets[11]	4	5	13	13	15	15	25	22	43	43	47	29	24	27	2	3	23	16	51
Consolidation adjustment	− 128	− 130	− 83	− 82	− 31	− 32	− 77	− 78	− 105	− 104	− 91	− 90	− 72	− 72	− 119	− 121	− 107	− 96	− 158
Total uses of funds	2,513	2,490	2,724	2,737	2,570	2,535	2,770	2,767	3,285	3,266	3,517	3,633	3,337	3,324	3,288	3,286	5,314	4,369	6,322
[1] Including stock appreciation of	170	170	200	200	200	190	140	140	360	360	460	460	670	670	680	680	810	680	1,880

Note: Footnotes 2 to 11 see Page 107.

Sources and uses of funds of large listed and unlisted companies in manufacturing, distribution and other services [2]

TABLE 2

	Per cent of total sources/uses										
	1964	1965	1966	1967	1968	1969	1970	1971	1972	1972	1973[2]
Sources of funds											
Net trading income[1, 4]	107·2	97·5	97·2	93·1	94·4	87·4	91·7	106·1	87·1	89·7	77·9
Other income	6·1	7·0	6·5	6·5	6·9	7·6	9·4	9·7	7·2	7·8	8·1
Depreciation[5]	36·0	37·1	42·7	40·6	38·2	37·9	42·9	48·5	33·2	32·5	25·9
Gross income	149·4	141·7	146·5	140·2	139·5	132·9	144·1	164·3	127·6	130·0	111·8
Other capital receipts	2·1	1·9	1·9	14·0	11·3	9·9	11·7	9·3	5·5	5·2	4·0
Taxation payments[6]	−39·7	−41·2	−42·1	−47·3	−44·1	−44·8	−53·9	−51·1	−28·1	−28·8	−23·0
Dividend payments (net of tax)[6]	−28·4	−27·7	−26·7	−21·5	−19·3	−18·1	−19·0	−20·9	−10·6	−11·2	−13·8
Interest on long-term loans	− 5·3	− 5·6	− 7·4	− 8·1	− 8·1	− 8·7	−10·1	−11·9	− 8·2	− 9·0	− 7·6
Other expenditure on capital account[7]	− 2·7	− 2·1	− 3·0	− 2·9	− 3·0	− 3·5	− 3·3	− 3·7	− 2·9	− 3·2	− 1·6
Total internal funds	75·5	67·1	69·2	74·4	76·3	67·8	69·5	85·9	83·1	83·1	70·0
Bank borrowing	11·2	16·9	9·8	2·6	7·8	17·1	18·1	− 4·2	6·9	6·9	21·1
Ordinary shares issued for cash[8]	5·5	3·2	3·9	3·8	8·8	6·0	2·9	4·1	3·9	4·0	0·6
Preference and long-term loans[8]	7·9	12·8	17·0	19·3	7·1	9·1	9·5	14·2	6·0	6·1	8·4
Total external funds	24·5	32·9	30·8	25·6	23·7	32·2	30·5	14·1	16·9	16·9	30·0
Total sources of funds	100	100	100	100	100	100	100	100	100	100	100
Uses of funds											
Tangible fixed assets	66·1	70·3	69·1	66·2	62·4	64·8	77·5	80·6	51·7	48·6	46·8
Acquisition of subsidiaries	20·9	18·7	15·8	28·1	52·5	25·8	26·1	27·8	31·5	37·8	17·5
less Shares and loans issued in exchange	− 9·4	−10·1	−10·7	−20·0	−43·3	−19·4	−18·9	−17·1	−22·2	−27·0	− 9·4
Cash cost of acquisitions	11·5	8·6	5·1	8·1	9·2	6·4	7·3	10·7	9·3	10·8	8·1
Working capital:											
Stocks[1]	26·8	26·1	15·1	12·5	17·8	27·9	31·4	13·6	15·5	17·3	42·6
Liquid assets[9]	− 2·8	− 3·7	0·8	6·1	4·1	2·5	− 1·0	12·6	17·6	19·4	8·8
Debtors[10]	31·1	26·0	24·5	29·6	31·8	35·2	30·9	− 7·1	25·1	25·4	39·2
Creditors[10]	−29·1	−24·4	−16·7	−22·0	−26·1	−36·1	−45·9	−10·2	−24·4	−27·4	−50·4
Debtors *less* creditors[10]	1·9	1·6	7·8	7·6	5·7	− 0·9	−14·9	−17·2	0·7	− 2·0	−11·2
Total	25·9	24·0	23·7	26·3	27·7	29·5	15·4	8·9	33·8	34·6	40·2
Other expenditure:											
Investments	1·3	− 0·4	2·7	1·4	2·6	0·5	1·3	3·4	6·8	7·8	6·7
Intangible assets[11]	0·2	0·5	0·6	0·9	1·3	1·3	0·7	0·1	0·4	0·4	0·8
Consolidation adjustment	− 5·1	− 3·0	− 1·2	− 2·8	− 3·2	− 2·6	− 2·2	− 3·6	− 2·0	− 2·2	− 2·5
Total uses of funds	100	100	100	100	100	100	100	100	100	100.	100
[1] Including stock appreciation of	6·5	7·5	7·5	5·0	11·0	13·0	20·0	20·5	15·0	16·0	30·0

Sources and uses of funds of large listed and unlisted companies in manufacturing, industries [2]

TABLE 3

£ million

	1964	1964	1965	1965	1966	1966	1967	1967	1968	1968	1969	1969	1970	1970	1971	1971	1972	1972	1973[2]
No. of companies[3]	2,271	2,230	2,180	2,168	2,113	2,085	2,007	1,990	1,879	1,851	1,765	1,365	1,326	1,319	1,276	1,248	1,211	782	752
Sources of funds																			
Net trading income[1, 4]	2,143	2,127	2,098	2,105	1,963	1,938	2,024	2,027	2,484	2,483	2,447	2,395	2,293	2,293	2,559	2,536	3,316	2,732	3,544
Other income	121	122	155	151	135	130	148	149	191	186	210	205	231	231	237	227	282	249	387
Depreciation[5]	747	741	832	831	903	854	914	920	1,031	1,033	1,090	1,047	1,142	1,144	1,270	1,262	1,387	1,114	1,267
Gross income	3,011	2,990	3,085	3,087	3,001	2,922	3,086	3,096	3,706	3,701	3,748	3,647	3,666	3,668	4,067	4,025	4,984	4,095	5,198
Other capital receipts	43	43	44	44	44	41	344	346	313	312	311	301	337	335	256	255	217	181	222
Taxation payments[6]	− 784	− 777	− 875	− 856	− 850	− 832	−1,025	−1,028	−1,154	−1,154	−1,248	−1,198	−1,406	−1,409	−1,279	−1,277	−1,102	− 895	−1,013
Dividend payments (net of tax)[6]	− 567	− 562	− 599	− 593	− 544	− 526	− 457	− 458	− 497	− 497	− 499	− 472	− 474	− 474	− 512	− 506	− 412	− 344	− 597
Interest on long-term loans	− 112	− 110	− 126	− 125	− 158	− 148	− 183	− 182	− 224	− 224	− 259	− 242	− 271	− 270	− 316	− 309	− 334	− 304	− 371
Other expenditure on capital account[7]	− 52	− 52	− 47	− 47	− 64	− 64	− 66	− 66	− 81	− 80	− 93	− 96	− 72	− 70	− 94	− 92	− 128	− 118	− 77
Total internal funds	1,540	1,533	1,481	1,504	1,429	1,393	1,700	1,708	2,064	2,058	1,954	1,939	1,779	1,781	2,123	2,096	3,226	2,615	3,362
Bank borrowing	225	220	393	395	228	221	47	46	152	147	493	454	504	508	− 174	− 163	25	23	901
Ordinary shares issued for cash[8]	97	95	51	51	69	69	91	91	196	194	155	165	57	57	102	102	144	122	21
Preference and and long-term loans[9]	135	131	261	261	373	392	425	421	215	216	221	239	239	220	419	405	209	190	308
Total external funds	458	446	705	707	670	682	563	558	563	557	869	858	800	785	347	344	378	335	1,229
Total sources of funds	1,997	1,979	2,186	2,211	2,099	2,075	2,263	2,267	2,627	2,615	2,823	2,797	2,579	2,566	2,470	2,440	3,604	2,950	4,592
Uses of funds																			
Tangible fixed assets	1,282	1,273	1,521	1,516	1,427	1,385	1,452	1,463	1,595	1,598	1,810	1,762	2,020	2,029	,997	1,969	1,827	1,421	2,082
Acquisition of subsidiaries	428	429	429	429	356	358	716	716	1,436	1,430	731	676	540	540	633	631	924	907	679
less Shares & loans, issued in exchange	− 185	− 184	− 235	− 235	− 255	− 255	− 523	− 523	−1,235	−1,233	− 564	− 550	− 395	− 395	− 369	− 369	− 606	− 604	− 337
Cash cost of acquisitions	243	245	194	194	101	103	193	193	201	197	168	126	145	144	264	261	318	303	342
Working capital:																			
Stocks[1]	539	531	581	580	338	341	300	298	444	442	841	832	834	825	304	296	418	384	1,951
Liquid assets[9]	− 82	− 77	− 116	− 117	− 18	− 5	135	134	144	141	52	74	− 35	− 50	328	327	708	640	499
Debtors[10]	620	618	562	574	547	539	644	641	806	817	1,001	1,014	738	738	− 282	− 286	837	689	1,804
Creditors[10]	− 539	− 537	− 494	− 477	− 336	− 318	− 488	− 488	− 603	− 618	−1,019	− 935	−1,119	−1,135	− 88	− 71	− 749	− 727	−2,273
Debtors *less* creditors[10]	80	81	68	98	211	221	156	153	203	199	− 18	29	− 380	− 396	− 370	− 357	87	− 37	− 469
Total	538	534	533	561	531	556	591	585	791	782	876	935	418	378	262	266	1,213	987	1,980
Other expenditure																			
Investments	25	18	− 13	− 12	49	41	55	58	73	73	− 8	11	18	34	68	64	296	282	302
Intangible assets[11]	− 1	—	8	8	10	9	23	20	37	38	40	22	16	19	6	5	11	9	30
Consolidation adjustment	− 90	− 91	− 57	− 57	− 19	− 20	− 52	− 52	− 71	− 74	− 63	− 60	− 39	− 38	− 127	− 126	− 62	− 52	− 145
Total uses of funds	1,997	1,979	2,186	2,211	2,099	2,075	2,263	2,267	2,627	2,615	2,823	2,797	2,579	2,566	2,470	2,440	3,604	2,950	4,592
[1] Including stock appreciation of	130	130	170	170	170	160	110	110	300	300	380	380	540	540	550	550	620	520	1,480

Sources and uses of funds of large listed and unlisted companies in manufacturing industries [2]

TABLE 4

	Per cent of total sources/uses										
	1964	1965	1966	1967	1968	1969	1970	1971	1972	1972	1973[2]
Sources of funds											
Net trading income[1, 4]	107·3	96·0	93·5	89·5	94·6	86·7	88·9	103·6	92·0	92·6	77·2
Other income	6·1	7·1	6·4	6·5	7·3	7·4	9·0	9·6	7·8	8·4	8·4
Depreciation[5]	37·4	38·0	43·0	40·4	39·3	38·6	44·3	51·4	38·5	37·8	27·6
Gross income	150·8	141·1	143·0	136·4	141·1	132·8	142·1	164·7	138·3	138·8	113·2
Other capital receipts	2·2	2·0	2·1	15·2	11·9	11·0	13·1	10·4	6·0	6·1	4·8
Taxation payments[6]	−39·3	−40·0	−40·5	−45·3	−43·9	−44·2	−54·5	−51·8	−30·6	−30·3	−22·1
Dividend payments (net of tax)[6]	−28·4	−27·4	−25·9	−20·2	−18·9	−17·7	−18·4	−20·7	−11·4	−11·7	−13·0
Interest on long-term loans	− 5·6	− 5·8	− 7·5	− 8·1	− 8·5	− 9·2	−10·5	−12·8	− 9·3	−10·3	− 8·1
Other expenditure on capital account[7]	− 2·6	− 2·2	− 3·0	− 2·9	− 3·1	− 3·5	− 2·8	− 3·8	− 3·5	− 4·0	− 1·7
Total internal funds	77·1	67·7	68·1	75·1	78·6	69·2	69·0	85·9	89·5	88·6	73·2
Bank borrowing	11·2	18·0	10·9	2·1	5·8	17·5	19·5	− 7·0	0·7	0·8	19·6
Ordinary shares issued for cash[8]	4·9	2·4	3·3	4·0	7·5	5·5	2·2	4·1	4·0	4·1	0·5
Preference and long-term loans[8]	6·8	11·9	17·8	18·9	8·2	7·8	9·3	17·0	5·8	6·4	6·7
Total external funds	22·9	32·3	31·9	24·9	21·4	30·8	31·0	14·0	10·5	11·4	26·8
Total sources of funds	100	100	100	100	100	100	100	100	100	100	100
Uses of funds											
Tangible fixed assets	64·2	69·6	68·0	64·2	60·7	64·1	78·3	80·9	50·7	48·2	45·3
Acquistion of subsidiaries	21·4	19·6	17·0	31·7	54·7	25·9	20·9	25·6	25·6	30·7	14·8
less Shares and loans issued in exchange	− 9·3	−10·8	−12·2	−23·2	−47·0	−20·0	−15·3	−14·9	−16·8	−20·5	− 7·3
Cash cost of acquisitions	12·1	8·8	4·8	8·5	7·7	5·9	5·6	10·7	8·8	10·3	7·4
Working capital:											
Stocks[1]	27·0	26·6	16·1	13·3	16·9	29·8	32·3	12·3	11·6	13·0	42·5
Liquid assets[9]	− 4·1	− 5·3	− 0·9	6·0	5·5	1·8	− 1·4	13·3	19·6	21·7	10·9
Debtors[10]	31·0	25·7	26·1	28·5	30·7	35·4	28·6	−11·4	23·2	23·4	39·3
Creditors[10]	−27·0	−22·6	−16·0	−21·6	−23·0	−36·1	−43·4	− 3·6	−20·8	−24·6	−49·5
Debtors *less* creditors[10]	4·0	3·1	10·1	6·9	7·7	− 0·7	−14·8	−15·0	2·4	− 1·2	−10·2
Total	26·9	24·4	25·3	26·1	30·1	31·0	16·2	10·6	33·7	33·5	43·1
Other expenditure:											
Investments	1·3	− 0·6	2·3	2·4	2·8	− 0·3	0·7	2·7	8·2	9·6	6·6
Intangible assets [11]	—	0·4	0·5	1·0	1·4	1·4	0·6	0·2	0·3	0·3	0·7
Consolidation adjustment	− 4·5	− 2·6	− 0·9	− 2·4	− 2·7	− 2·2	− 1·5	− 5·1	− 1·7	− 1·8	− 3·2
Total uses of funds	100	100	100	100	100	100	100	100	100	100	100
[1] Including stock appreciation of	6·5	8·0	8·0	5·0	11·5	13·5	21·0	22·5	17·0	18·0	32·0

Notes to Tables 1 to 4:

[2] Source: DI analysis of large listed and unlisted companies which operate mainly in the United Kingdom in manufacturing, distribution construction and certain other services. Companies whose main interests are in agriculture, mining, shipping, insurance, banking and finance and those operating mainly overseas are not included. For 1964 to 1969 the analysis covers all companies in scope with net assets of £½ million or more or gross income of £50,000 or more in 1964; from 1970 the size limits are £2 million net assets or £200,000 gross income in 1968. The 1965–72 figures are final figures for listed and unlisted companies with comparable data for the previous year in Tables 1 and 3; 1973 and comparable 1972 figures are final figures for only listed companies. The figures for each year relate to accounting years ending between 6 April of the year shown and 5 April of the following year.

[3] The number of companies decreases between the comparable figures for each set of years because those companies acquired in the current year were independent in the previous year.

[4] Trading income net of depreciation and short-term interest, before deduction of tax, dividend and long-term interest payments.

[5] Depreciation at book values as charged in companies' accounts.

[6] Taxation payments include income tax payable on dividends; dividend payments are net of tax in all years.

[7] Consists of expenses on share or loan issues, amounts written off current assets and liabilities not separately distinguished, expenditure charged against reserves, and decreases in minority interests.

[8] Increase net of redemptions and excludes shares and loans issued in exchange for subsidiaries acquired.

[9] Covers cash, bank deposits, UK Treasury Bills, tax reserve certificates, and any other short-term deposits.

[10] Short-term loans are included in creditors, and short-term credit advanced and received by UK subsidiaries of overseas companies is included in debtors and creditors respectively.

[11] Covers expenditure on research and development which has not been written off against profits, patents, trade marks, licences, royalty agreements, and any goodwill not arising out of acquisitions of subsidiaries.

Sources and uses of funds of all industrial and commercial companies [1,2]

TABLE 5

£ million

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Sources of funds											
Gross income[1, 2]	6,259	6,641	6,477	6,596	7,601	7,911	8,478	9,389	10,863	14,829	18,539
Unremitted profits of overseas subsidiaries[3]	– 137	– 156	– 171	– 178	– 260	– 299	– 294	– 288	– 411	– 768	– 817
Gross income net of unremitted profits overseas	6,122	6,485	6,306	6,418	7,341	7,612	8,184	9,101	10,452	14,061	17,722
Capital transfers	17	20	26	236	453	594	519	591	407	373	365
Taxation payments including tax on dividends[4]	–1,595	–1,682	–1,641	–1,935	–2,129	–2,326	–2,775	–3,035	–3,096	–3,213	–5,080
Dividend payments on ordinary shares net of income tax[5]	– 821	– 939	– 886	– 860	– 842	– 913	– 810	– 930	– 911	–1,383	–1,471
Interest payments and other dividends[5]	– 564	– 689	– 847	– 866	– 995	–1,148	–1,237	–1,248	–1,443	–2,317	–3,225
Profits due abroad net of unremitted profits in the United Kingdom[6]	– 137	– 120	– 108	– 111	– 140	– 130	– 147	– 222	– 253	– 322	– 230
Transfers to public corporations and charities	– 27	– 29	– 32	– 33	– 53	– 46	– 55	– 56	– 51	– 51	– 55
Total internal funds	2,995	3,046	2,818	2,849	3,635	3,643	3,679	4,201	5,105	7,148	8,026
Bank borrowing	752	497	187	333	569	664	1,126	732	2,988	4,504	4,411
Proceeds of issues of ordinary shares in the United Kingdom for cash	158	63	124	65	303	183	44	160	326	107	43
Issues of preference shares and debentures for cash and other loans and mortgages[7]	470	680	605	425	382	563	562	634	660	1,122	200
Total external funds	1,380	1,240	916	823	1,254	1,412	1,732	1,526	3,974	5,733	4,654
Total sources of funds	4,375	4,286	3,734	3,672	4,889	5,055	5,411	5,727	9,079	12,881	12,680
Uses of funds											
Gross domestic fixed capital formation	2,288	2,436	2,423	2,366	2,615	3,001	3,357	3,467	3,777	4,621	5,850
Cash acquisitions of subsidiaries and trade investments	435	437	285	385	429	363	448	567	980	1,497	836
Working capital:											
Stocks	892	713	569	355	829	953	1,342	774	922	3,417	5,963
Bank deposits and other liquid assets	81	72	26	445	207	– 204	256	1,148	2,339	2,664	–18
Intra-company investment:[8]											
by United Kingdom companies overseas net of unremitted profits held abroad	174	246	155	165	125	227	186	251	190	805	748
by overseas companies net of unremitted profits held in United Kingdom	– 38	– 85	– 162	– 221	– 206	– 250	– 427	– 483	– 144	– 682	–1,254
Import deposits[9]	—	—	—	—	75	403	– 225	– 253	—	—	—
Export credit *less* import credit[10]	10	20	116	53	56	6	– 4	– 138	– 132	– 105	– 94
Total working capital	1,119	966	704	797	1,086	1,135	1,128	1,299	3,175	6,099	5,345
Other domestic and identified overseas assets	148	71	131	– 15	72	55	– 7	– 12	149	– 23	51
Unidentified[11]	385	376	191	139	687	501	485	406	998	687	598
Total uses of funds	4,375	4,286	3,734	3,672	4,889	5,055	5,411	5,727	9,079	12,881	12,680
[1]Including stock appreciation of	238	256	302	149	475	600	909	868	1,088	2,595	4,884

Sources and uses of funds of all industrial and commercial companies [1,2]

TABLE 6

	Per cent of total sources/uses										
	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Sources of funds											
Gross income[1, 2]	143·1	154·9	173·5	179·6	155·5	156·5	156·7	163·9	119·6	115·1	146·2
Unremitted profits of overseas subsidiaries[3]	− 3·1	− 3·6	− 4·6	− 4·8	− 5·3	− 5·9	− 5·4	− 5·0	− 4·5	− 6·0	− 6·4
Gross income net of unremitted profits overseas	139·9	151·3	168·9	174·8	150·2	150·6	151·2	158·9	115·1	109·2	139·8
Capital transfers	0·4	0·5	0·7	6·4	9·3	11·8	9·6	10·3	4·5	2·9	2·9
Taxation payments including tax on dividends[4]	−36·5	−39·2	−43·9	−52·7	−43·5	−46·0	−51·3	−53·0	−34·1	−24·9	−40·1
Dividend payments on ordinary shares net of income tax[5]	−18·8	−21·9	−23·7	−23·4	−17·2	−18·1	−15·0	−16·2	−10·0	−10·7	−11·6
Interest payments and other dividends[5]	−12·9	−16·1	−22·7	−23·6	−20·4	−22·7	−22·9	−21·8	−15·9	−18·0	−25·4
Profits due abroad net of unremitted profits in the United Kingdom[6]	− 3·1	− 2·8	− 2·9	− 3·0	− 2·9	− 2·6	− 2·7	− 3·9	− 2·8	− 2·5	− 1·8
Transfers to public corporations and charities	− 0·6	− 0·7	− 0·9	− 0·9	− 1·1	− 0·9	− 1·0	− 1·0	− 0·6	− 0·4	− 0·4
Total internal funds	68·5	71·1	75·5	77·6	74·4	72·1	68·0	73·4	56·2	55·5	63·3
Bank borrowing	17·2	11·6	5·0	9·1	11·6	13·1	20·8	12·8	32·9	35·0	34·8
Proceeds of issues of ordinary shares in the United Kingdom for cash	3·6	1·5	3·3	1·8	6·2	3·6	0·8	2·8	3·6	0·8	0·3
Issues of preference shares and debentures for cash and other loans and mortgages[7]	10·7	15·9	16·2	11·6	7·8	11·1	10·4	11·1	7·3	8·7	1·6
Total external funds	31·5	28·9	24·5	22·4	25·6	27·9	32·0	26·6	43·8	44·5	36·7
Total sources of funds	100	100	100	100	100	100	100	100	100	100	100
Uses of funds											
Gross domestic fixed capital formation	52·3	56·8	64·9	64·4	53·5	59·4	62·0	60·5	41·6	35·9	46·1
Cash acquisitions of subsidiaries and trade investments	9·9	10·2	7·6	10·5	8·8	7·2	8·3	9·9	10·8	11·6	6·6
Working capital:											
Stocks	20·4	16·6	15·2	9·7	17·0	18·9	24·8	13·5	10·2	26·5	47·0
Bank deposits and other liquid assets	1·9	1·7	0·7	12·1	4·2	− 4·0	4·7	20·0	25·8	20·7	− 0·1
Intra-company investment:[8]											
by United Kingdom companies overseas net of unremitted profits held abroad	4·0	5·7	4·2	4·5	2·6	4·5	3·4	4·4	2·1	6·2	5·9
by overseas companies net of unremitted profits held in the United Kingdom	− 0·9	− 2·0	− 4·3	− 6·0	− 4·2	− 4·9	− 7·9	− 8·4	− 1·6	− 5·3	− 9·9
Import deposits[9]	—	—	—	—	1·5	8·0	− 4·2	− 4·4	—	—	—
Export credit *less* import credit[10]	0·2	0·5	3·1	1·4	1·1	0·1	− 0·1	− 2·4	− 1·5	− 0·8	− 0·7
Total working capital	25·6	22·5	18·9	21·7	22·2	22·5	20·8	22·7	35·0	47·3	42·2
Other domestic and identified overseas assets	3·4	1·7	3·5	− 0·4	1·5	1·1	− 0·1	− 0·2	1·6	− 0·2	0·4
Unidentified[11]	8·8	8·8	5·1	3·8	14·1	9·9	9·0	7·1	11·0	5·3	4·6
Total uses of funds	100	100	100	100	100	100	100	100	100	100	100
[1]Including stock appreciation of	5·4	6·0	8·1	4·1	9·7	11·9	16·8	15·2	12·0	20·1	38·5

Notes to Tables 5 and 6

[2] Gross income is income arising in United Kingdom before depreciation *plus* income from abroad after depreciation (including unremitted profits of overseas subsidiaries).

[3] Profits of overseas subsidiaries of UK companies retained abroad. Separate figures for industrial and commercial companies have only been collected since 1968; earlier figures are estimates based on the movement in total company sector unremitted profits held abroad.

[4] Consists of UK taxes on income *plus* taxes paid abroad *less* additions to tax reserves, *plus* income tax payable on UK dividends. The taxes paid abroad include both taxes on unremitted profits retained abroad and on dividends remitted to the United Kingdom.

[5] Net of income tax in all years on dividends.

[6] Represents dividends, interest, etc., paid to parent company overseas. The unremitted profits are the profits of United Kingdom subsidiaries of overseas companies retained in the United Kingdom. Separate figures of unremitted profits for industrial and commercial companies have only been collected since 1968; earlier figures are estimates based on the movement in total company sector unremitted profits held in the UK.

[7] Including other capital issues overseas.

[8] Intra-company investment by UK parent companies does not appear in company accounts. Such investment by UK subsidiaries of overseas parents is distinguished; short-term loans and credit received and advanced are included under creditors and debtors respectively and long-term loans from overseas parents are included with long-term loans issued for cash in the DI analysis.

[9] Included in debtors in DI analysis.

[10] Included in debtors and creditors in DI analysis.

[11] Including unidentified debtors and creditors, expenditure on intangible assets and investments in company securities other than from acquisitions of subsidiaries and trade investments, as well as errors and any other omissions.

[12] Sources: *National Income and Expenditure 1964–74* and *Financial Statistics*, September 1975.

CHART 1 **Sources of funds of large companies in manufacturing, distribution and other services**

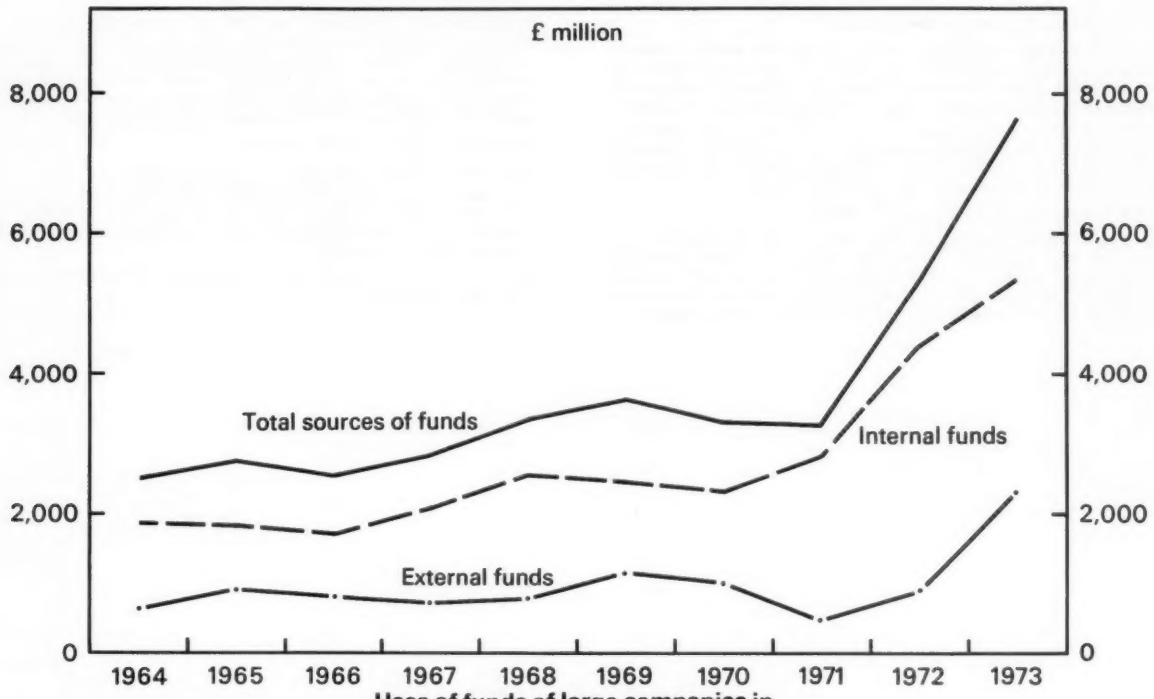


CHART 2 **Uses of funds of large companies in manufacturing, distribution and other services**

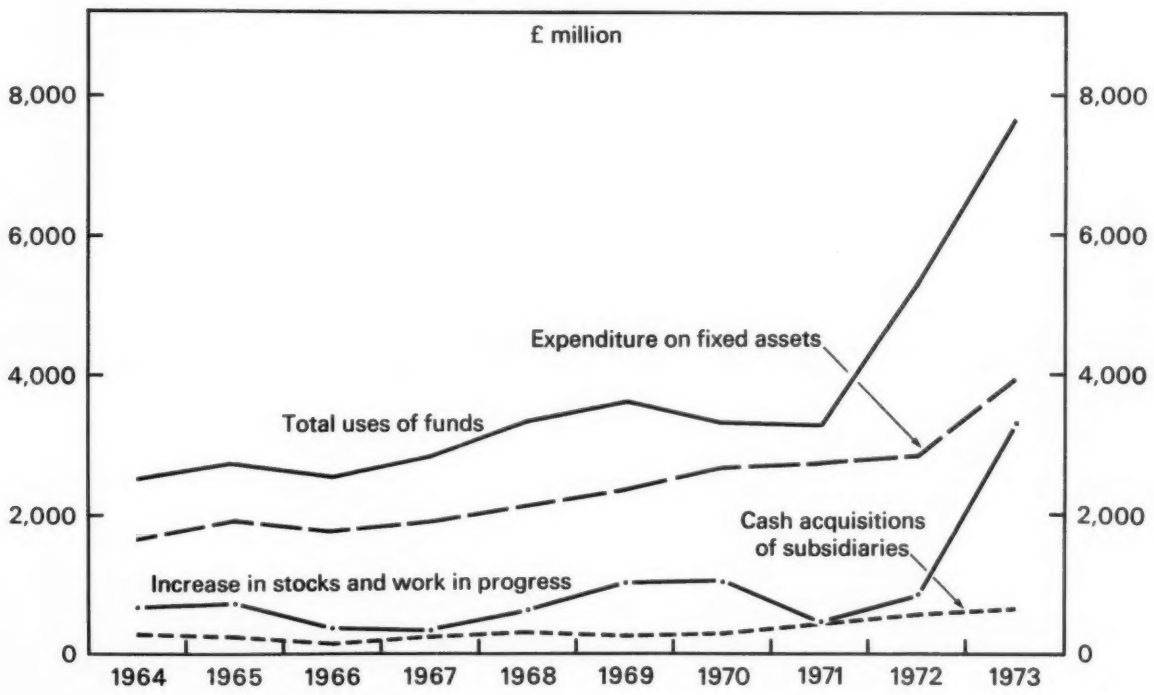


CHART 3 **Sources of funds as a percentage of total funds of large companies in manufacturing, distribution and other services**

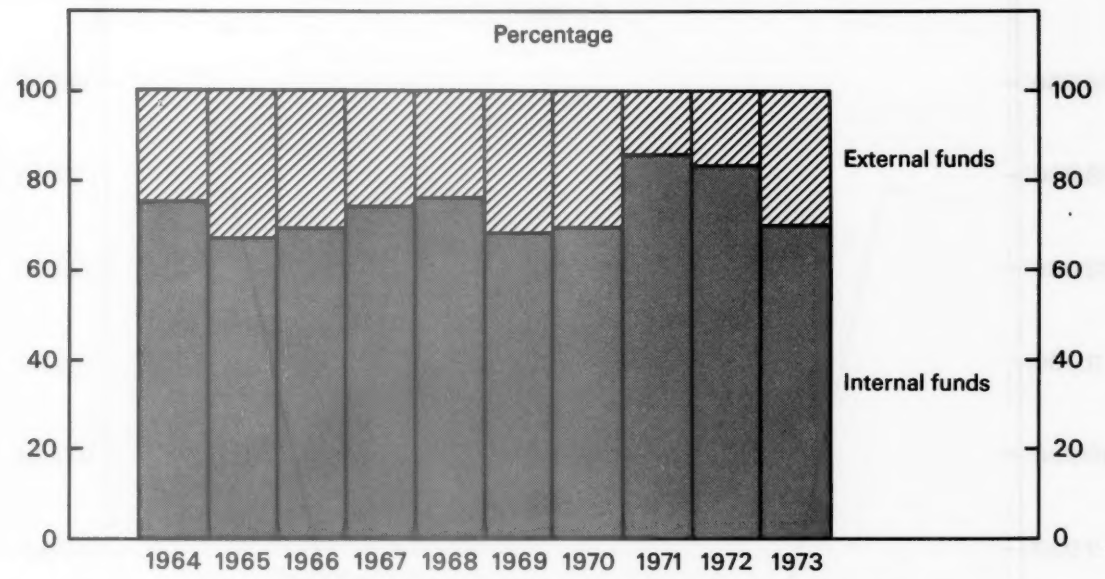


CHART 4 **Uses of funds as a percentage of total funds of large companies in manufacturing, distribution and other services**

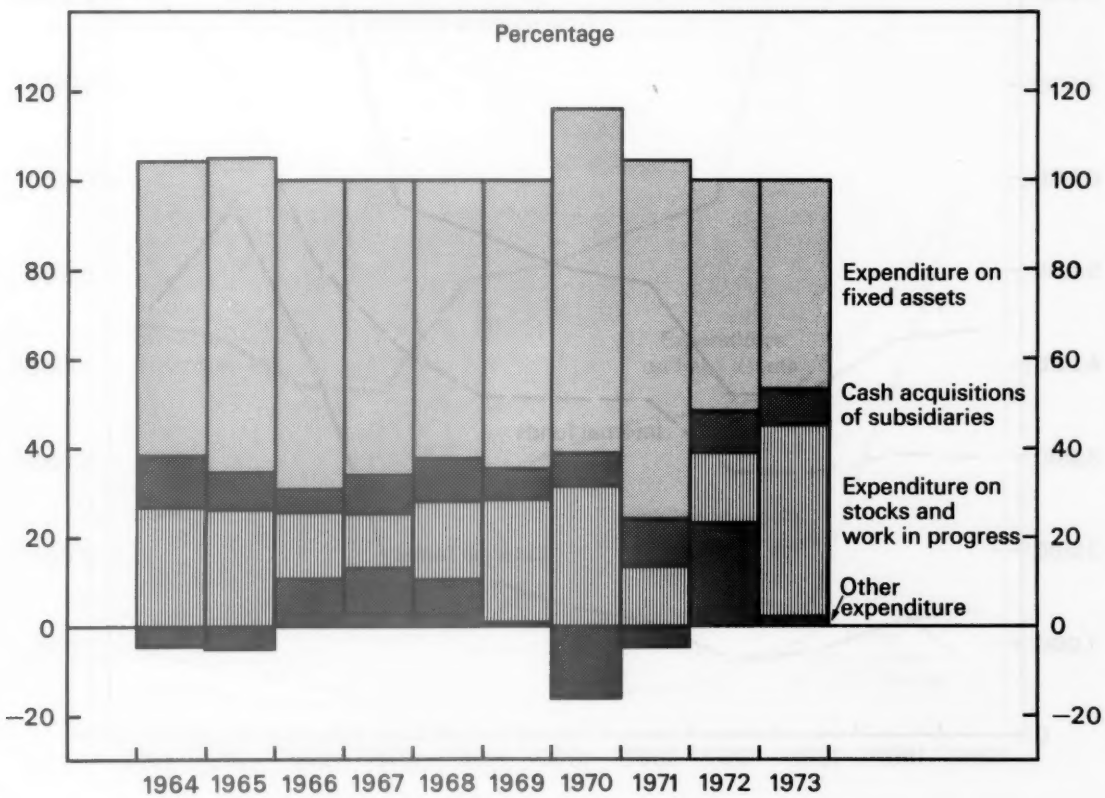


CHART 5 **Sources of funds of all industrial and commercial companies**

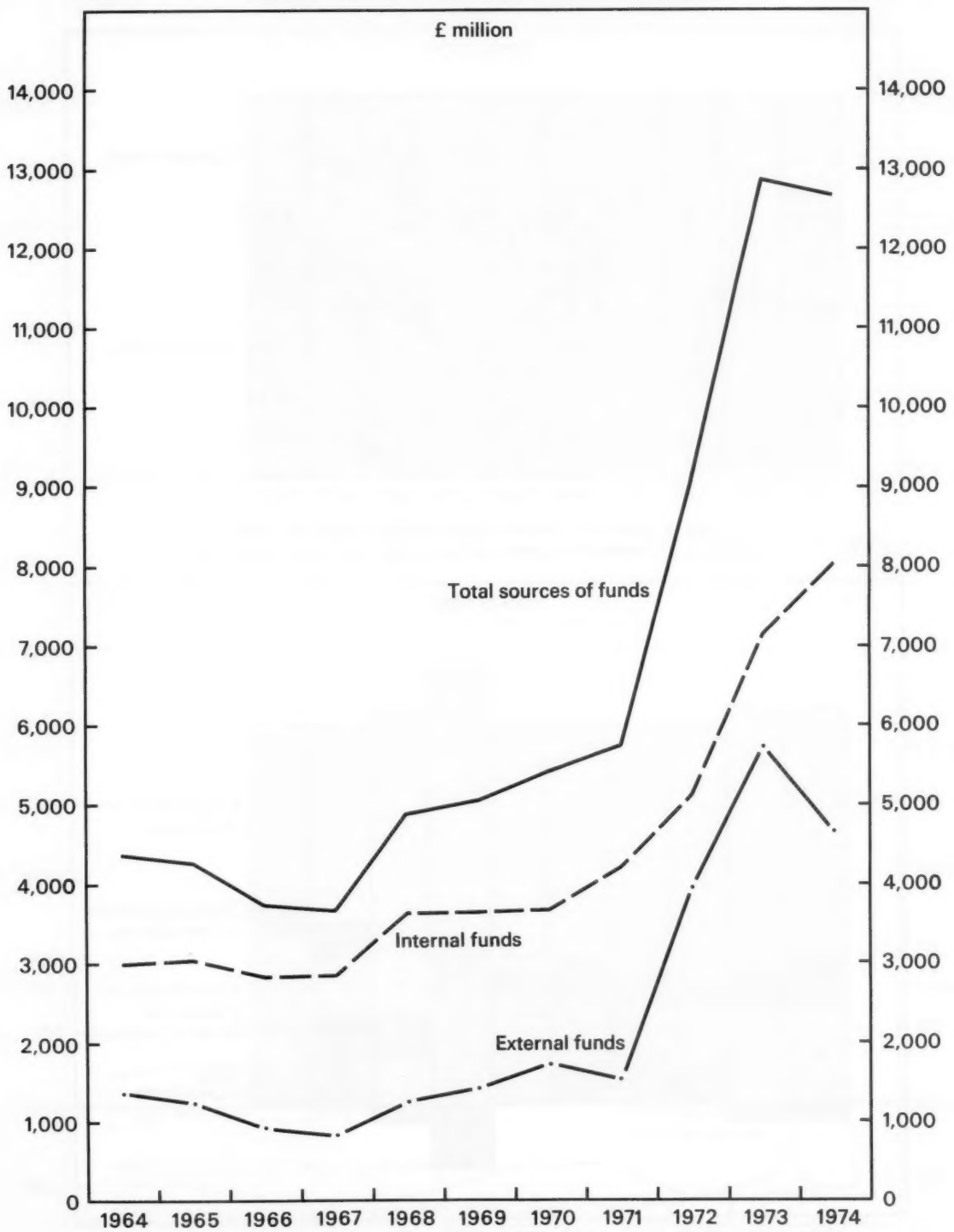


CHART 6 **Uses of funds of all industrial and commercial companies**

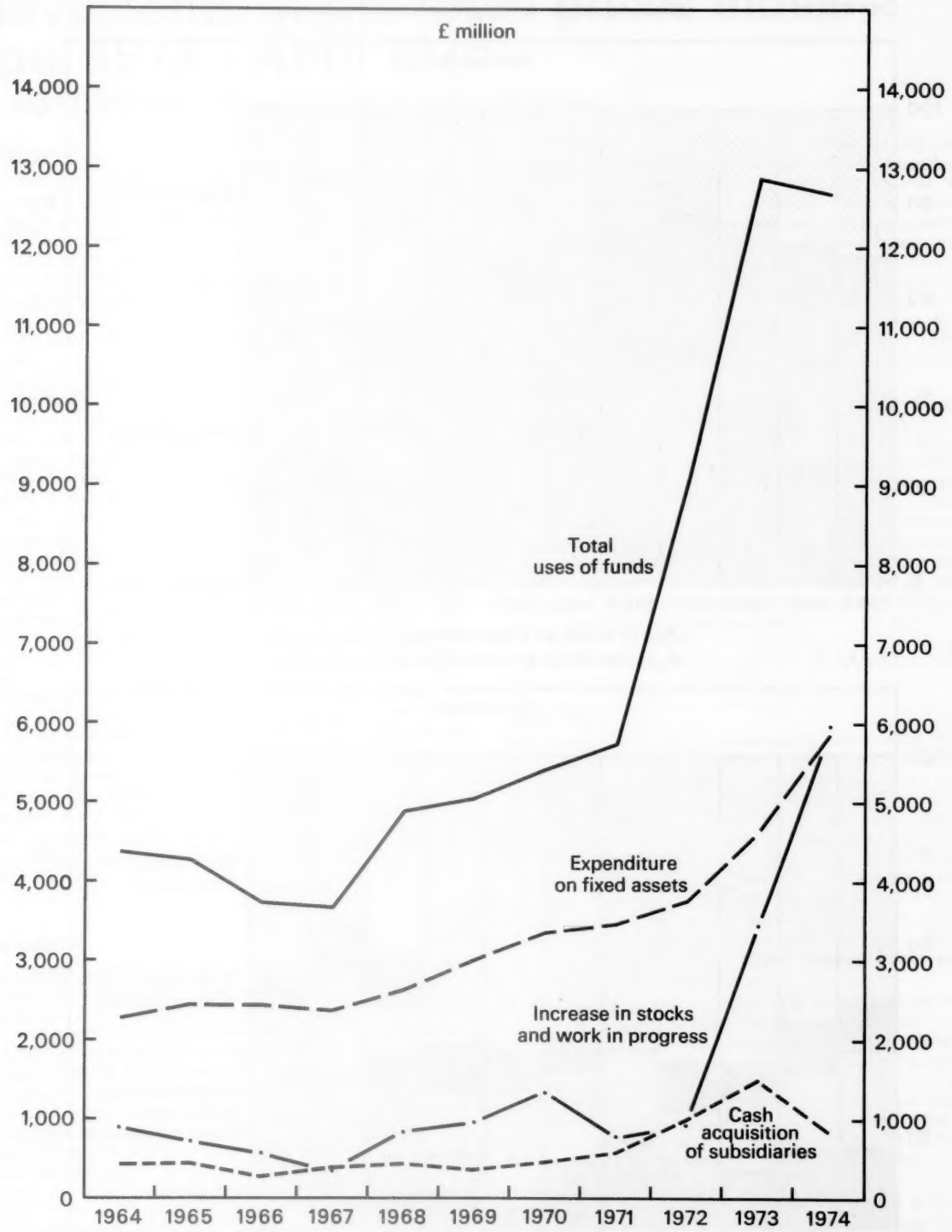


CHART 7 **Sources of funds as a percentage of total funds of all industrial and commercial companies**

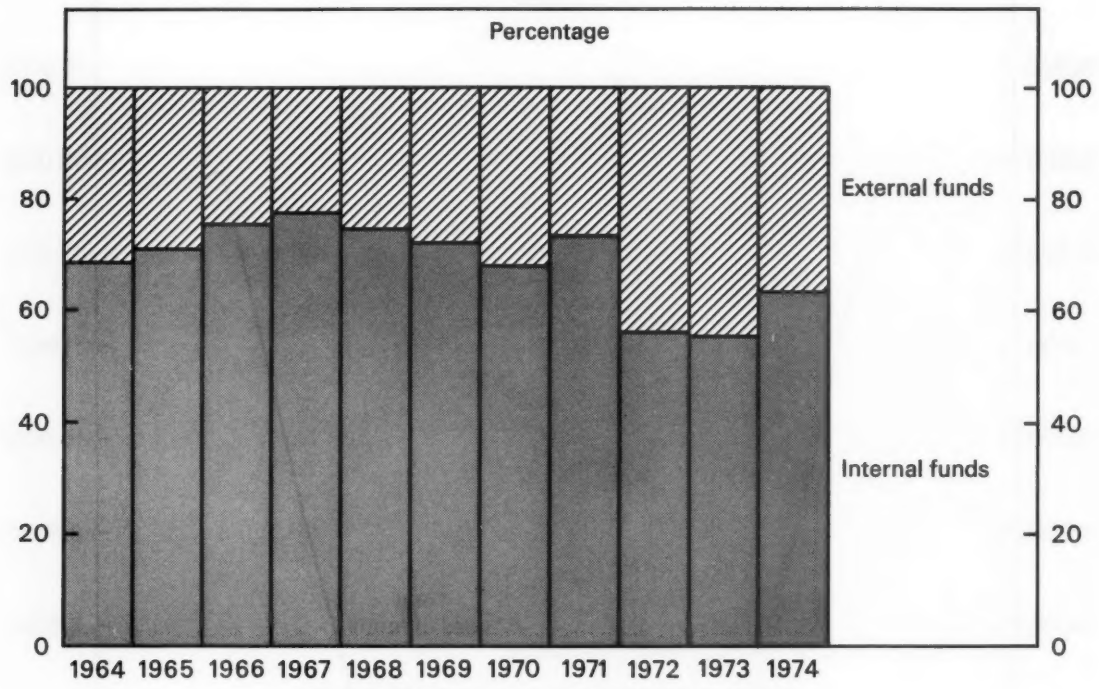
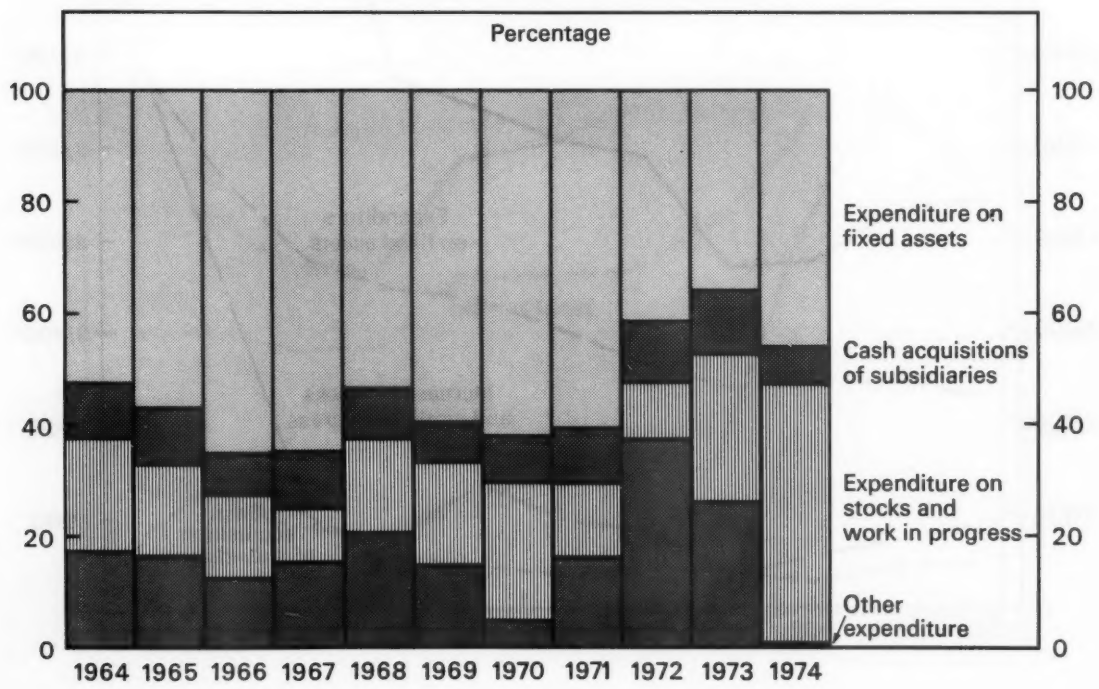


CHART 8 **Uses of funds as a percentage of total funds of all industrial and commercial companies**



Movements in the retail prices index April 1973 - April 1975[1]

Mrs A J CRAWFORD, *Economic Adviser*, Price Commission

Introduction

In the two year period since the Price Commission was set up in April 1973, the index of retail prices, which measures the extent to which retail prices of goods and services change from month to month, has increased by 40·1 per cent. In the first year of the operation of the Price Code, that is to April 1974, retail prices increased by 15·2 per cent following an increase of only 9·2 per cent in the previous year. In the six months to April 1975, the index had risen by 14 per cent, with many increases still in the pipeline at that time.

This article analyses the part played by different sectors of goods and services in the rise of the All-items index and looks at the influence of various special factors over this two year period. The Price Code itself has an influence on retail prices but its effect cannot be quantified. Table 1 sets out the movement in the price indices of the main component parts of the retail price index and the contribution that each has made to the overall rise in the All-items index. The headings in Table 1 are mutually exclusive except for the totals and the nationalised industry sector which brings together items incorporated under other headings, for example, fares, fuel and light. Reference to the weights for the various sectors also shown in Table 1 makes this clear. Appendix 1 shows the make up of the food sector and the items included in the various sub-divisions of the food group.

As can be seen from Table 1, substantial increases in prices were widespread among the groups of the index. In the two years to April 1975 the average level of retail prices for all items other than food has increased by 37·3 per cent, while food prices as a whole increased by considerably more than this, 49·1 per cent despite subsidies on several important food items which are discussed below. Food which represents about a quarter of the expenditure of index households contributed most to the All-items increase of 40·1 per cent.

Food prices

Some large increases occurred within the food sector, especially for sugar and related products, the breakdown is given in Table 2. Between April 1974 and April 1975 the price of granulated sugar increased by 183 per cent, contributing about 4 percentage points to the overall rise in the food index of 26·6 per cent. In the two years April 1973 to April 1975, sugar prices have risen by 228 per cent; granulated sugar and related products in the group, sweets and chocolates, jams, marmalade, honey, etc., contributed about 12 percentage points to the 49·1 per cent rise in food prices. The effect of the rise in sugar prices has also influenced increases in other food sectors like biscuits and cakes.

Of the groups shown in Table 1 the largest rise over the period was for the index of food items mainly manufactured in the United Kingdom which rose by 71·3 per cent. Within this grouping, items made primarily from imported raw materials rose by 81·7 per cent, faster than those made from home produced raw materials, and contributed 5·1 percentage points to the All-items rise. Two other divisions of the food index, those food items mainly home produced for direct consumption and those mainly imported for direct consumption showed rises of 22·7 per cent and 45·6 per cent respectively between April 1973 and April 1975. The commodity mix in sub-groups makes comparison difficult (see Appendix I).

The average level of prices of foods whose prices show significant seasonal variations, namely home killed lamb, fresh and smoked fish, eggs, fresh vegetables and fresh fruit, rose by 36·5 per cent over the whole period, contributing only 1·4 percentage points to the All-items rise, and 5·9 percentage points to the food index increase. The main boost to food prices over the two year period has been from non-seasonal foods, showing a rise of 52·3 per cent over the period and 27·9 per cent in the last twelve months. Taken together All food with a weight of 24 per cent accounted for 11·8 percentage points of the 40·1 per cent rise in the RPI over the two years.

Other items

The group in Table 1 contributing most after the food group to the rise in the All-items index over the period was the transport and vehicles sector where prices rose by 49·4 per cent. This sector with 14·2 per cent of the weight was responsible for 7 percentage points of the rise in the RPI. Within this there were increases in second hand car prices, costs of running, repair and maintenance and vehicle insurance and in the average level of fares. The increased cost of petrol was responsible for some large monthly increases in the index in February, April and December 1974 and in January of this year. The introduction of VAT and subsequent changes in its rate were also an important influence.

The index for the fuel and light group rose by 44·6 per cent and was responsible for 2·5 percentage points of the total increase in the RPI (weight 5·6 per cent). There were large increases for household coal and coke, prices of heating oils and electricity charges (see Table 2). Coal and coke contributed 0·6 percentage points and electricity charges 1·3 percentage points to the All-items rise in the two year period. In the six months to April 1975, the index for the fuel and light group rose by 17·8 per cent contributing 0·9 percentage points to the overall 14 per cent rise.

There were increases throughout the period in the clothing and footwear index which was 36·0 per cent higher in April 1975 than in April 1973. With a weight of 8·9 per

[1] Figures of changes in retail prices are based on the General Index of Retail Prices published in the *Department of Employment Gazette*.

cent the sector contributed 3·2 percentage points of the total increase. The housing index which rose by 34·7 per cent in the two years to April 1975 was influenced by government policy with the freezing of rents and a rates subsidy. There was however a substantial rise in the cost of repairs and maintenance of dwellings of 66·6 per cent and a rise of 55·7 per cent in rates and water charges. In the six months to April this year the housing index has risen by 17·5 per cent, some 62·1 per cent of which was accounted for by higher rates and water charges. The sector contributed 4·1 percentage points to the rise in the RPI over the full two year period and had a weight of 11·7 per cent.

Rises in Customs and Excise duties were responsible for a large part of the increases in alcoholic drink and tobacco; these sectors accounted for 3·1 percentage points of the overall 40·1 per cent rise.

Nationalised industry prices

Table 1 also shows the movement in prices of nationalised industry goods and services[2] and this index can be compared with the index for all items except food. Nationalised industry prices have increased by 40·6 per cent between April 1973 and April 1975, a slightly larger increase than for all items except food. In the twelve months to April 1975, however, nationalised industry prices have risen by 32·6 per cent following a rise of only 6 per cent in the previous year and compared to a rise of 20·3 per cent for All items excluding food. The direct share of nationalised industry prices in the All-items index increased from 0·5 percentage points in the April 1973 to April 1974 period to 2·6 percentage points for April 1974 to April 1975.

With the government's policy of reducing the deficits of nationalised industries their price rises have been a more important influence on the RPI than in the past. In the last six months of the period studied, nationalised industry prices had risen by 18·4 per cent contributing 1·4 percentage points of the 14 per cent increase in the retail prices index for that period.

Food subsidies

An important special factor affecting the retail prices index in the period April 1973 to April 1975 was the extension of food subsidies following the March 1974 budget in order to hold down the rise in food prices.

In May 1973 a consumer subsidy of about 2p a pound on butter was introduced while the deficit on the Milk Fund due to the holding down of the liquid milk retail price built up to the equivalent of just under a 1p subsidy on a pint over the financial year 1973/74. In March/April 1974, subsidies on butter and milk were increased and a bread subsidy was introduced avoiding an increase of ½p on all eligible loaves.

Existing subsidies were again increased and further subsidies for cheese, tea and household flour were introduced between April 1974 and January 1975. In the period January to April this year, while there was a further rise in the butter subsidy to 11p a pound at the retail level, the subsidy on milk was reduced and an increase in the bread subsidy made on an interim basis in January was withdrawn. (Appendix II shows the approximate level of food subsidies existing in April 1975).

Table 3 compares the All-items index and the food index with the assumed level of the indices without food subsidies[3]. Food subsidies in April 1974 saved 3·3 points (3·2 per cent) on the food index and 0·8 points (0·8 per cent) on the All-items retail prices index. The assumed rise in the All-items index without food subsidies between April 1973 and April 1974 would be 16·1 per cent compared with an actual rise of 15·2 per cent over the period. By April this year food subsidies resulted in a total saving of 1·4 points (1·1 per cent) in the All-items index, somewhat less than the peak savings of 1·6 points in the November to January period, and a saving of 6 points (4·6 per cent) on the food index.

Without food subsidies, other things being equal, the All-items index and the food index would be expected to have risen by 41·7 per cent and 56·1 per cent respectively over the two years April 1973 to April 1975 while the actual rises in the indices were 40·1 per cent for the All-items and 49·1 per cent for the food index.

It is probable that the main dampening influence of subsidies on the movement and level of the retail prices index has passed its peak. The Government proposal in its 'Attack on Inflation' programme to phase out food subsidies less rapidly than previously envisaged is consistent with this.

Indirect taxes

A further important influence on the retail prices index in the period considered has come from budgets and other economic measures. The expected effect on the retail prices index of indirect tax changes between March 1974 and April 1975 are shown in Appendix III. These effects on the RPI are those expected at the time of each announcement. They are not additive. A detailed retrospective analysis of the effects has not been attempted because of the acute measurement difficulties involved.

Latest developments

The All-items index rose by a record 4·2 per cent in May, by 1·9 per cent in June and by a further 1·0 per cent in July to a level 50·4 per cent higher than in April 1973. It is estimated that budget increases in indirect taxation accounted for about 2·75 percentage points of the All-items increase of 7·3 per cent in the period April to July.

Food prices rose by 4·3 per cent between April and July, incorporating a 12·3 per cent rise in seasonal food prices over the period, and contributed 1·0 percentage point to the overall rise in the period.

Prices of goods and services mainly produced by the nationalised industries increased by 14·1 per cent in the three months April to July following an increase of 18·4 per cent in the previous six months and accounted for some 1·1 percentage points of the overall rise.

[2] The components of this index are also covered in the sectors for fuel and light, transport and vehicles, and services also shown in Table 1. The sector includes bus and LT fares.

[3] The index without subsidies is calculated on the assumption that subsidies have not altered consumption patterns enough to affect significantly the weights of subsidised foods in the RPI.

Changes in the retail prices index [1]

TABLE 1

	Percentage																					
								Food items mainly manufactured in UK														
	All items	All items except food	All items excluding seasonal food	All food	Seasonal food	Non-seasonal food	Food items mainly manufactured in UK	Primarily from home-produced raw materials	Primarily from imported raw materials	Food items mainly home-produced for direct consumption	Food items mainly imported for direct consumption	Alcoholic drink	Tobacco	Housing	Fuel and light	Durable household goods	Clothing and footwear	Transport and vehicles	Miscellaneous goods	Services	Meals out	Nationalised industries goods and services
April 73–April 75 Percentage change	40·1	37·3	40·4	49·1	36·5	52·3	71·3	56·6	81·7	22·7	45·6	23·4	26·7	34·7	44·6	34·8	36·0	49·4	43·5	33·1	38·8	40·6
April 73–April 75 Weight	*100·0*	*76·0*	*96·1*	*25·0*	*3·9*	*20·1*	*10·3*	*4·0*	*6·3*	*4·8*	*5·1*	*7·7*	*4·8*	11·7	*5·6*	*6·4*	*8·9*	*14·2*	*6·8*	*5·2*	*4·7*	*8·3*
Contributions to All-Items index in percentage points	40·1	28·3	38·8	11·8	1·4	10·5	7·3	2·3	5·1	1·1	2·3	1·8	1·3	4·1	2·5	2·2	3·2	7·0	3·0	1·7	1·8	3·4
(Percentage of All-Items)	(100·0)	(70·6)	(96·8)	(29·4)	(3·5)	(26·2)	(18·2)	(5·7)	(12·7)	(2·7)	(5·7)	(4·5)	(3·2)	(10·1)	(6·2)	(5·5)	(8·0)	(17·5)	(7·5)	(4·3)	(4·5)	(8·5)
April 74–April 75 Percentage change	21·7	20·3	21·7	26·6	22·2	27·9	35·7	27·4	41·1	23·4	16·3	11·7	9·7	17·4	32·5	18·0	15·3	27·2	26·2	23·2	22·1	32·6
April 74–April 75 Weight	*100·0*	*75·7*	*95·8*	*24·3*	*4·2*	*20·0*	*10·2*	*4·0*	*6·2*	*4·6*	*5·3*	*7·6*	*4·5*	*11·6*	*5·2*	*6·7*	*9·0*	*14·2*	*6·7*	*5·3*	*4·9*	*7·9*
Contributions to All-Items index in Percentage points	21·7	75·4	20·8	6·5	0·9	5·6	3·6	1·1	2·5	1·1	0·9	0·9	0·4	2·0	1·7	1·2	1·4	3·9	1·8	1·2	1·1	2·6
(Percentage of All-Items)	(100·0)	(71·0)	(95·9)	(30·0)	(4·1)	(25·8)	(16·6)	(5·1)	(11·5)	(5·1)	(4·1)	(4·1)	(1·8)	(9·2)	(7·8)	(5·5)	(6·5)	(18·0)	(8·3)	(5·5)	(5·1)	(12·0)

[1] The weights used to calculate the contributions over the two year period were the averages of the RPI weights for 1973 and 1975, while the contributions in the period April 1974–April 1975 were based on the averages of the RPI weights for 1974 and 1975.

General index of retail prices
Percentage change April 1973 – April 1975

TABLE 2

	Percentage			
	Change	Contribution[1]		Weight (1973–1975)
All items	+40·1	40·1	(100·0)	100·0
Food:				
Total	+49·1	11·8	(29·4)	24·0
Bread, flour, cereals, biscuits and cakes	+ 63·5	2·1	(5·2)	3·3
Meat and bacon	+ 37·4	2·5	(6·3)	6·8
Fish	+ 40·9	0·3	(0·8)	0·7
Butter, margarine, lard and other cooking fats	+ 62·3	0·6	(1·5)	0·9
Milk, cheese and eggs	+ 21·4	0·7	(1·7)	3·2
Tea, coffee, cocoa, soft drinks, etc.	+ 42·3	0·5	(1·2)	1·2
Sugar, preserves and confectionery	+121·0	2·8	(7·1)	2·4
Vegetables, fresh, canned and frozen	+ 46·7	1·1	(2·9)	2·4
Fruit, fresh, dried and canned	+ 51·5	0·7	(1·7)	1·3
Other food	+ 58·4	1·0	(2·5)	1·8
Alcoholic drink	+23·4	1·8	(4·5)	7·7
Tobacco	+26·7	1·3	(3·2)	4·8
Housing:				
Total	+34·7	4·1	(10·1)	11·7
Rent and mortgage interest	—[2]	1·1	(2·6)	6·6
Rates and water charges	+ 55·7	1·6	(4·2)	3·0
Charges for repairs and maintenance, and materials for home repairs and decorations	+ 66·6	1·4	(3·5)	2·1
Fuel and light:				
Total	+44·6	2·5	(6·2)	5·6
Coal and coke	+ 42·9	0·6	(1·8)	1·4
Gas	+ 19·6	0·2	(0·6)	1·2
Electricity	+ 55·0	1·3	(3·4)	2·5
Oil and other	—[3]	0·3	(0·7)	0·5
Durable household goods:				
Total	+34·8	2·2	(5·5)	6·4
Furniture, floorcovering and soft furnishings	+ 43·7	1·4	(3·4)	3·1
Radio, television and other household appliances	+ 23·1	0·6	(1·4)	2·4
Pottery, glassware and hardware	+ 36·1	0·3	(0·8)	0·9
Clothing and footwear:				
Total	+36·0	3·2	(8·0)	8·9
Men's outerclothing	+ 41·7	0·7	(1·7)	1·6
Men's underclothing	+ 55·0	0·3	(0·8)	0·6
Women's outerclothing	+ 31·6	0·7	(1·8)	2·3
Women's underclothing	+ 43·8	0·2	(0·4)	0·4
Children's clothes	+ 37·6	0·4	(1·1)	1·2
Other clothing including hose, haberdashery, hats and materials	+ 28·9	0·3	(0·9)	1·2
Footwear	+ 31·9	0·5	(1·3)	1·7
Transport and vehicles:				
Total	+49·4	7·0	(17·5)	14·2
Motoring and cycling	+ 52·4	6·3	(15·7)	12·0
Fares	+ 37·1	0·8	(2·0)	2,2
Miscellaneous goods:				
Total	+43·5	3·0	(7·5)	6·8
Books, newspapers and periodicals	+ 60·3	1·0	(2·4)	1·6
Medicines, surgical, etc. goods and toilet requisites	+ 27·4	0·3	(0·9)	1·2
Soaps and detergents, soda, polishes and other household goods	+ 57·8	0·6	(1·4)	1·0
Stationery, travel and sports goods, toys, photographic and optical goods, etc.	+ 34·8	1·0	(2·6)	3·0
Services:				
Total	+33·1	1·7	(4·3)	5·2
Postage and telephone	+ 43·7	0·4	(1·1)	1·0
Entertainment	+ 17·0	0·4	(0·9)	2·1
Other services, including domestic help, hairdressing, boot and shoe repairing, laundering and dry cleaning	+ 44·6	0·9	(2·3)	2·1
Meals bought and consumed outside the home	+38·8	1·8	(4·5)	4·7

[1] The weights used to calculate the contributions are the averages of the RPI weights for 1973 and 1975.

[2] Up to January 1974 owner occupiers' housing costs were represented by an equivalent rent. Since that date it has been based on their mortgage interest payments. It was possible to calculate the contributions of these items as a residual.

[3] Unpublished index. Contribution was calculated as a residual.

The approximate effect of food subsidies on the retail prices index

TABLE 3

		(1) Actual All items index	(2) Assumed level of (1) without food subsidies	(3) Points saved (2)–(1)
1974	J	100·0	100·4	0·4
	F	101·7	102·1	0·4
	M	102·6	103·0	0·4
	A	106·1	106·9	0·8
	M	107·6	108·7	1·1
	J	108·7	109·8	1·1
	J	109·7	110·8	1·1
	A	109·8	110·9	1·1
	S	111·0	112·2	1·2
	O	113·2	114·5	1·3
	N	115·2	116·8	1·6
	D	116·9	118·5	1·6
1975	J	119·9	121·5	1·6
	F	121·9	123·3	1·4
	M	124·3	125·8	1·5
	A	129·1	130·5	1·4

		(1) Actual food index	(2) Assumed level of (1) without food subsidies	(3) Points saved (2)–(1)
1974	J	100·0	101·5	1·5
	F	100·9	102·4	1·5
	M	102·0	103·5	1·5
	A	103·2	106·5	3·3
	M	104·5	108·8	4·3
	J	105·9	110·2	4·3
	J	105·5	109·8	4·3
	A	106·1	110·6	4·5
	S	107·5	112·4	4·9
	O	110·4	115·7	5·3
	N	113·4	119·6	6·2
	D	114·4	120·6	6·2
1975	J	118·3	124·7	6·4
	F	121·3	127·5	6·2
	M	126·0	132·4	6·4
	A	130·7	136·7	6·0

APPENDIX I

The items included in the sub-division of the food group are:

1 Items, the prices of which show significant seasonal variations, namely, home-killed lamb, fresh and smoked fish, eggs, fresh vegetables, fresh fruit.

2 Items mainly manufactured in the United Kingdom

a Primarily from home-produced raw materials, namely, rolled oats, biscuits, cakes, buns, sausages, quick-frozen fish, processed cheese, canned and dried milk, yoghourt, jam, potato crisps, dried potato, canned peas, frozen peas, and beans, ice-cream, salt, food for animals.

b Primarily from imported raw materials, namely, bread, flour, breakfast cereals, canned milk pudding, custard powder, margarine, compound cooking fats, coffee, cocoa, proprietary food drinks, soft drinks, sugar, golden syrup marmalade, canned beans, canned fruit salad, sweets and chocolate, table jelly, meat and vegetable extracts, sauces, pickles, canned soup.

3 Items mainly home-produced for direct consumption, namely, home-killed beef, pork, ox liver, chicken, fresh milk, fresh cream.

4 Items mainly imported for direct consumption, namely, rice, imported beef and lamb, calves' liver, bacon, ham, canned meat and fish, butter, lard, cheese, tea, dried fruit, canned fruit, (other than fruit salad), canned tomatoes.

Department of Employment

APPENDIX II

Food subsidies – approximate value at retail level in April 1975*

Milk	2p a pint
Bread	2½p on large loaf 1½p on small loaf
Butter	11p a lb
Cheese	12p a lb
Tea	8p a lb
Household flour	1p a lb

APPENDIX III

Announced effects of recent indirect tax measures on retail prices index

Date	Indirect tax charges	Percentage effect on RPI: Within 3 months	Percentage effect on RPI: Eventual effect
1974			
March	Duty increases on alcoholic drink and tobacco, VAT remains at 10 per cent but base extended to include petrol, sweets, soft drinks, etc.	..	+1¾
July	VAT reduced from 10 per cent to 8 per cent	−1	−1½
November	New VAT rate of 25 per cent on petrol	..	+ ½
1975			
April†	25 per cent VAT rate to apply to most domestic electrical appliances		
	Increases in duty on alcoholic drink and tobacco	..	..
	Increase in vehicle excise duties		
	Total	+2¾	

Notes:

* In the broadly neutral March 1973 budget there was a substantial restructuring of indirect taxation (purchase tax and SET replaced by VAT and car tax). Its effect on the RPI was not announced.

† April budget effects will first be reflected in the May index of retail prices.

Round-up: What's new in economic statistics

Changes in compilation of unemployment statistics

At present the count of the unemployed is made on a Monday, normally the second Monday in the month, but from October, the count will be made on a Thursday, normally the second Thursday in the month. This is due to changed procedures which have caused Monday to become one of the busiest days in local offices. Extensive tests have shown that the change should have a negligible effect on the published figure for the level of unemployment.

At present, adjustments are made to the total of the unemployment figures during the week following the count to exclude those people counted on the Monday but subsequently discovered not to have been unemployed on that day, and to include those people who although unemployed on the Monday did not register until later in the week and were not included in the count. It is anticipated that changing the count day to Thursday will reduce the effect of these adjustments and it has been decided that they should be discontinued.

The number of vacancies notified to employment offices and careers offices is counted at present on the Wednesday preceding the count of the unemployed. From October vacancies will be counted on the Friday preceding the day of the unemployment count.

The 1974 Family Expenditure Survey

The September issue of the *Department of Employment Gazette* contains the main annual article on the 1974 Family Expenditure Survey. There is an extended commentary this year, including a discussion of the effects of the occupation of the head of household in determining spending patterns. A new chart shows how the income pattern by source of income varies with total income and composition of household.

A new series of employment estimates

Another article in the September issue of the *Gazette* gives the first of a new series of quarterly employment estimates based on the new sample survey.

Retail prices index

The currant issue of the Department of Employment newspaper, *Employment News* (No. 25), explains how the retail prices index is compiled and what it is intended to measure. (Copies can be obtained free of charge, by writing to Information 3, Department of Employment, 12 St. James's Square, SW1Y 4LL).

Private pensions funds in 1974

An article in *Trade and Industry*, 22 August 1975, discusses recent trends in the transactions and the assets of the self-administered private pension funds of industrial and commercial companies and non-profit-making bodies which do not operate through insurance companies. It summarises investment by the funds during 1974 and the assets held by them at the end of 1974, together with comparable figures for earlier years.

UK commodity markets

An article in the September 1975 issue of the *Bank of England Quarterly Bulletin* discusses developments in the UK commodity markets during the last six years, including the extension of official supervision of the markets. This article updates earlier articles on post-war developments in the UK commodity markets and the nature of their trading which appeared in the September 1964 and June 1969 issues of the *Bulletin.*

New publications

The Report of the Inflation Accounting Committee, Cmnd. 6225, (HMSO, September 1975) (Price £4.50 net).

This report contains a comprehensive survey of possible methods of taking account of inflation in company accounts. It recommends a system of current cost accounting and examines some of its implications including the provision by the Government Statistical Service of series of price indices for capital expenditure on plant and machinery and for stocks specific to particular industries.

A Brief Guide to the Report of the Inflation Accounting Committee, (HMSO, September 1975) (Price 30p net).

This booklet contains the main arguments of the Report leading up to the recommendation that companies should in future adopt a system to be known as Current Cost Accounting.

United Kingdom Balance of Payments 1964-74, (HMSO, September 1975) (Price £2.00 net).

This annual publication gives a detailed account of the United Kingdom's balance of payments with the rest of the world in each of the last eleven years.

National Income and Expenditure 1964-74, (HMSO, September 1975) (Price £2.20 net).

The annual statement giving statistics of national income, expenditure and output for the years 1964 to 1974. In addition, the main summary tables go back to 1953 as far as possible on a consistent basis. Estimates of real national disposable income are published for the first time in respect of the years 1953 onwards.

Population Trends

This is a new quarterly from the office of Population Censuses and Surveys giving up-to-date series of population, vital statistics and international migration. It also carries articles on a variety of population and medical topics. (Price £2.00 net).

Index of sources

Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Page	*Source*	*Further statistics*
Average earnings (see Earnings)			
Balance of payments		Central Statistical Office	Financial Statistics; Quarterly articles in Economic Trends
Current balance	5, 46, 48		
Invisibles	46		
Official reserves	48		
Total currency flow	48		
Bank advances (see Banking)			
Banking		Bank of England	Financial Statistics
Bank advances	60, 62		
Deposits with the banking sector	50, 52, 60		
Eligible liabilities, reserve ratio, special deposits and supplementary deposits	62		
Notes and coin in circulation with the public	50		
Bank of England's minimum lending rate (see Interest rates)			
Building societies		Central Statistical Office; Building Societies Association	Financial Statistics
Average prices of new dwellings on mortgage (see Housing)			
Net increase in shares and deposits	20		
New commitments for mortgages	20		
Recommended share rate (see Interest rates)			
Car registrations and production (see Motor vehicles)			
CBI Intentions Inquiry (see Fixed investment)			
Coal (see Fuel and power)			
Commercial vehicles, production (see Motor vehicles)			
Companies		Central Statistical Office	Financial Statistics
Appropriation account	58		
Financial companies			
Financial account, net acquisition of financial assets	56		
Saving	56, 58		
Gross trading profits	58		
In relation to total domestic income	14		Monthly Digest of Statistics
Income	58		Financial Statistics
Industrial and commercial companies	58		
Financial account, net acquisition of financial assets	56		
Fixed investment	60		
Liquid assets, sources and uses of funds	60		
Saving	56, 58, 60		
Security prices and yields (see Interest rates)			
Stock appreciation	58		
Taxes	58		
Consols (see Interest rates)			
Construction industry		Department of the Environment	Housing and Construction Statistics
Index of industrial production (see Industrial production)			
Orders received	18, 20, 30		
Output	30		
Consumers' expenditure		Central Statistical Office	Monthly Digest of Statistics
Component categories	10		
In relation to personal income	10		
In relation to total final expenditure	14		
Per head of UK total population	14		
Current balance (see Balance of payments)			

	Page	Source	Further statistics
Distributive trades			
Output	28	Central Statistical Office	Monthly Digest of Statistics
(see also Retail sales; Stocks)			
Domestic income (see Incomes)			
Dwellings (see Housing)			
Earnings (average)		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
All employees	5, 40		
Employees in manufacturing industry	40		
Effective exchange rate of sterling	44	HM Treasury	Financial Statistics
Electricity (see Fuel and power)			
Eligible liabilities (see Banking)			
Employed labour force	34, 36	Central Statistical Office	Monthly Digest of Statistics
Employees in employment		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
All industries and services	34, 36		
Index of production industries, manufacturing industries	34		
Energy (see Fuel and power)			
Engineering industries		Department of Industry	Monthly Digest of Statistics; Trade and Industry
Sales and orders: total, home market and export	30		
Expenditure (see Total final expenditure)			
Exports			
Of goods		Department of Industry	Monthly Digest of Statistics; Trade and Industry
Unit value index	44		
Value	5, 46		
Volume index	44		
Of goods and services in relation to total final expenditure	8	Central Statistical Office	Monthly Digest of Statistics
Of passenger cars, commercial vehicles (see Motor vehicles)			
Orders: engineering industries (see Engineering industries)			
Final expenditure (see Total final expenditure)			
Financial accounts, analysis by sector	56	Central Statistical Office	Financial Statistics
Financial companies (see Companies)			
Fixed investment			
By industrial and commercial companies (see Companies)			
By sector and by type of asset	16	Central Statistical Office	Monthly Digest of Statistics; Trade and Industry
Dwellings (see Housing)			Monthly Digest of Statistics
In relation to total final expenditure	8, 14		
Manufacturing industry			
CBI Intentions Inquiry	18	Confederation of British Industry	Industrial Trends Survey
Contractors' orders for private industrial work	18	Department of the Environment	Housing and Construction Statistics
In plant and machinery, new buildings and work	18	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Investment Intentions Inquiry	18		
Fuel and power			
Consumers' expenditure on fuel and light	10	Central Statistical Office	Monthly Digest of Statistics
Industrial production: index for gas, electricity and water industries	26		
Primary fuel input: total, coal and petroleum	24	Department of Energy	Monthly Digest of Statistics; United Kingdom Energy Statistics; Energy Trends
Public supply: gas and electricity	24		
Gas (see Fuel and power)			
Gross domestic fixed capital formation (see Fixed investment)			
Gross domestic product	6	Central Statistical Office	Monthly Digest of Statistics
And components of final expenditure	8		
In relation to output	28		
In relation to stocks	22		
Per head of UK total population	14		
Gross national product per head of UK total population	14	Central Statistical Office	Not published elsewhere

	Page	Source	Further statistics
Gross trading profits of companies (see Companies)			
Hire purchase debt	12	Department of Industry	Monthly Digest of Statistics; Trade and Industry; Financial Statistics
Hours worked	36	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Housing		Department of the Environment; Building Societies Association	
Average price of new dwellings on mortgage	20		Housing and Construction Statistics
Consumers' expenditure on housing	10	Central Statistical Office	Monthly Digest of Statistics
Fixed investment in dwellings	16, 20		
Orders received by contractors for new houses	20	Department of the Environment; Scottish Development Department	Monthly Digest of Statistics; Housing and Construction Statistics
Starts and completions	20		
Imports			
Of goods		Department of Industry	Monthly Digest of Statistics; Trade and Industry
Unit value index	44		
Value	**5**, 46		
Volume index	44		
Of goods and services in relation to total final expenditure	8	Central Statistical Office	Monthly Digest of Statistics
Incomes		Central Statistical Office	Monthly Digest of Statistics
Company income (see Companies)			
Income from employment (see also Wages; Earnings)	14		
In relation to total domestic income	10		
Personal disposable income	10		
Per head of UK total population	14		
Personal income before tax	10		
Total domestic income	14		
Industrial and commercial companies (see Companies)			
Industrial production: index	**5**, 26	Central Statistical Office	Monthly Digest of Statistics
By market sector	26		
By selected industries	26		
In relation to output per head	28		
In relation to stocks (manufacturing industries)	22		
Inter-bank 3-month rate (see Interest rates)			
Interest rates	64	Central Statistical Office; Bank of England; HM Treasury; Building Societies Association; *Financial Times*; Institute of Actuaries; Faculty of Actuaries	Financial Statistics
Bank of England's minimum lending rate			
Building Societies Association recommended share rate			
Consols			
Financial Times index of industrial ordinary shares			
Inter-bank 3-month rate			
Local authorities 3-month deposit rate			
London clearing banks base rate and 7 day deposits			
Sterling certificates of deposit			
Treasury bill yield			
US $ deposits in London			
Invisibles (see Balance of payments)			
Local authorities 3-month deposit rate (see Interest rates)			
London clearing banks rates (see Interest rates)			
Manufacturing industry (See Banking; Employees in employment; Fixed investment; Hours worked; Industrial production; Output per person employed; Stocks; Wage rates; Wages and salaries)			
Money stock	**5**, 50, 52	Bank of England	Financial Statistics
Velocity of circulation	50	Central Statistical Office	

	Page	Source	Further statistics
Motor vehicles			
Consumers' expenditure on cars and motor-cycles	10	Central Statistical Office	Monthly Digest of Statistics
New car registrations	5, 12	Department of the Environment Department of Industry	Monthly Digest of Statistics Trade and Industry
Production of passenger cars and commercial vehicles: total and for export	32	Department of Industry	
Net acquisition of financial assets	56	Central Statistical Office	Financial Statistics
Notes and coin in circulation with the public (see Banking)			
Official reserves (see Balance of payments)			
Orders received			
By construction industry (see Construction)			
By contractors for private industrial work	18	Department of the Environment	Housing and Construction Statistics
By engineering industries (see Engineering)			
Output			
By construction industry (see Construction)			
By engineering industries (see Engineering)			
Index numbers by industry groups	28	Central Statistical Office	Monthly Digest of Statistics
Per person employed	34		
Overseas trade (see Exports; Imports; Visible trade)			
Personal disposable income (see Incomes)			
Personal income before tax (see Incomes)			
Petroleum (see Fuel and power)			
Population			
Estimates per head of	14	Central Statistical Office	Not published elsewhere
Working	36	Department of Employment	Monthly Digest of Statistics Department of Employment Gazette
Prices			
Average price of new dwellings on mortgage (see Housing)			
Pensioner price indices	42	Department of Employment	Department of Employment Gazette
Retail prices index	5, 42		Monthly Digest of Statistics Department of Employment Gazette
Wholesale prices index; input and output	5, 42	Department of Industry	Monthly Digest of Statistics Trade and Industry
World commodity prices index	44		Not published elsewhere
Private sector			
Financial account, net acquisition of financial assets	56	Central Statistical Office	Financial Statistics
Gross fixed investment	14, 16		Monthly Digest of Statistics
Housing starts and completions (see Housing)			
Production (see Industrial production; Motor vehicles)			
Profits (see Companies)			
Public authorities' consumption of goods and services	8, 14	Central Statistical Office	Monthly Digest of Statistics
Public sector		Central Statistical Office	Financial Statistics
Borrowing requirement	52, 54		
Current and capital accounts	54		
Expenditure	54		
Financial account, net acquisition of financial assets	56		
Fixed investment	14, 16		
Housing starts and completions (see Housing)			
Purchasing power of the pound	42	Central Statistical Office	Not published elsewhere
Reserve ratio (see Banking)			

	Page	Source	Further statistics
Retail prices index (see Prices)			
Retail sales			
Volume index numbers	5, 12	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Value index numbers	12		
Ratio of distributors' stocks to retail sales	22	Central Statistical Office; Department of Industry	
Regional unemployment rates (see Unemployment)			
Salaries (see Wages and salaries)			
Saving, company (see Companies)			
Savings ratio, personal	10	Central Statistical Office	Monthly Digest of Statistics
Special deposits (see Banking)			
Sterling certificates of deposit (see Interest rates)			
Sterling effective exchange rate	44	HM Treasury	Financial Statistics
Stock appreciation, company sector (see Companies)			
Stocks			
Changes by industry groups	22	Central Statistical Office	Monthly Digest of Statistics; Trade and Industry
Ratios: total stocks to GDP(e), manufactured stocks to manufacturing production, distributors' stocks to retail sales	22		
Total changes in relation to GDP(e)	8		Monthly Digest of Statistics
Supplementary deposits (see Banking)			
Taxes		Central Statistical Office	Financial Statistics
On capital	54		
On income	54		
On expenditure	54		
Payment of taxes by companies	58		
Terms of trade	44	Department of Industry	Monthly Digest of Statistics; Trade and Industry
Total currency flow (see Balance of payments)			
Total domestic income (see incomes)			
Total final expenditure on goods and services	8,14	Central Statistical Office	Monthly Digest of Statistics
Trade competitiveness index	44	HM Treasury	Not published elsewhere
Treasury bill yield (see Interest rates)			
Unemployment		Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Regional unemployment rates	38		
Total unemployed; unemployed excluding school-leavers and adult students	5, 36		
Unfilled vacancies	5, 36	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Unit values of exports and imports (see Exports; Imports)			
Vacancies notified and remaining unfilled (see Unfilled vacancies)			
Velocity of circulation (see Money stock)			
Visible trade (see also Exports; Imports)	5, 44, 46	Central Statistical Office; Department of Industry	Monthly Digest of Statistics; Trade and Industry
Wage rates, basic weekly	40	Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Wages and salaries			
In relation to personal income before tax	10	Central Statistical Office	Monthly Digest of Statistics
Per unit of output	40	Central Statistical Office; Department of Employment	Monthly Digest of Statistics; Department of Employment Gazette
Wholesale prices index (see Prices)			
Working population (see Population)			

Printed in England for Her Majesty's Stationery Office
by Chas. F. Thorn & Son Ltd. 11 Hailey Road, Erith, Kent.

Dd 503398 Wt3 K39 9/75

ISBN 0 11 723953 4

Articles published in *Economic Trends*

National income and expenditure. An article containing quarterly figures is published every January, April, July and October

United Kingdom balance of payments. An article showing quarterly figures is published every March, June, September and December

Cyclical indicators for the United Kingdom economy. An article showing individual indicators, is published every February, May, August and November

Other articles

1974

January	A calendar of economic events
February	An assessment of the sensitivity of the national accounts constant price estimates to changes in the base year and alternative methods of calculation
	Private sector housing land prices in England and Wales
March	Resources devoted to research and development by manufacturing industry
April	Employment in the public and private sectors of the United Kingdom economy
	A cyclical analysis of new orders and deliveries in the United Kingdom engineering industries, 1958–1971
May	World commodity prices
	Summary input-output tables for 1970
	Surveys of conveyancing
June	The 'effective' exchange rate for sterling
August	Accounting for inflation
September	Index of industrial production: rebasing on 1970
October	Additional tables on national income and expenditure
	International comparison of taxes and social security contributions, 1969–1972
	United Kingdom official and private flows to developing countries, 1973
November	Department of Industry survey of company liquidity
	Estimating companies' rate of return on capital employed
	The effects of rebasing and some alternative methods of calculation on the output-based measure of gross domestic product
December	The incidence of taxes and social service benefits in 1973
	Expenditure patterns of retired persons at or immediately above their supplementary benefit level in October 1972

1975

January	Measuring changes in the nation's real income
	Employment in the public and private sectors of the United Kingdom economy
February	A new statistical series analysing commodities imported and exported according to the industries of which they are the principal products
	Input-output tables for the European communities
March	Cyclical indicators for the United Kingdom economy
	Insolvency statistics for England and Wales
	A calendar of economic events
April	United Kingdom overseas trade, unit value and volume index numbers and the terms of trade 1970–75
	Summary input-output tables for 1971
May	Private non-profit-making bodies serving persons
	Further estimates of regional gross domestic product
	An additional series of agricultural price indices
June	Private non-profit-making bodies serving persons: balance sheets for 1969 and 1970
August	Distribution of income statistics for the United Kingdom, 1972/73: sources and methods

For articles published in earlier issues, reference should be made to

NEW CONTRIBUTIONS TO ECONOMIC STATISTICS
Studies in Official Statistics

Fifth series May 1967-August 1969 *(No. 15)* (HMSO) February 1970 (Price 75p net)
Sixth series November 1969-November 1971 *(No. 19)* (HMSO) May 1972 (Price 80p net)
Seventh series December 1971-December 1973 *(No. 24)* (HMSO) March 1975 (Price £2.65 net)

HER MAJESTY S STATIONERY OFFICE

Government Bookshops
49 High Holborn, London WC1V 6HB
13A Castle Street, Edinburgh EH2 3AR
41 The Hayes, Cardiff CF1 1JW
Brazennose Street, Manchester M60 8AS
Southey House, Wine Street, Bristol BS1 2BQ
258 Broad Street, Birmingham B1 2HE
80 Chichester Street, Belfast BT1 4JY

Government publications are also available through booksellers

£1.15 net
(Annual Subscription including annual supplement and postage £16.64)